AN

INQUIRY

INTO THE

EXPEDIENCY OF APPLYING THE PRINCIPLES

OF

Colonial Policy

TO THE

GOVERNMENT OF INDIA;

AND OF EFFECTING

AN ESSENTIAL CHANGE

IN ITS

Landed Tenures,

And, consequently, in the

CHARACTER OF ITS INHABITANTS.

LONDON:

PRINTED FOR J. M. RICHARDSON, 23, CORNHILL,

OPPOSITE THE ROYAL EXCHANGE.

1822.

Quod hodie esset imperium, nisi salubris providentia victos permiscuisset victoribus?—SENECA.

Quid aliud exitio Lacedæmoniis et Atheniensibus fuit, quanquam armis pollerent, nisi quòd victos pro alienigenis arcebant?—TACITUS.

The stock of materials by which any nation is rendered flourishing and prosperous are, its industry,—its knowledge, or skill,—its morals,—its execution of justice,—its courage,—and the national union in directing these powers to one point, and making them all centre in the public benefit.—BURKE.

MARCHANT, PRINTER, INGRAM-COURT, LONDON.

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INTRODUCTION.

HAD those statesmen and legislators who laid the foundations of the British colonies in America intended and foreseen the greatness to which they were destined, and had to that end nursed them in the lap of Liberty, their deserts would have transcended all praise. But though much must be allowed to the country which "bred *and formed the colo-* " nists who were capable of achieving such " great actions," we are bound to admit that there was no proportion between the excel-

lence of the municipal institutions conferred and the merit of the donors. The commercial restrictions which were, from time to time, imposed, though, from the statistical condition of the colonies, they had scarcely any effect in stunting their growth, yet abundantly manifested the narrow selfish spirit in which they originated. At last, when a crisis arose, which put to an unequivocal test the virtue and wisdom of the mother country, she failed miserably in the trial; nor is there any page of her history, of which an Englishman is so much ashamed as that which records the causes and conduct of the American war: whereas, if the just pretensions necessarily resulting from the freedom which the colonists inherited, had been met with candour and magnanimity, the glory of that period would have eclipsed all that had preceded it. In estimating, therefore, the merit or demerit of public men, it is necessary to consider how much ought to be ascribed to design, and how much to accident and circumstances.

Thus, the conduct of England towards her Eastern possessions has been as much calculated to retard their improvement, as her treatment of her Western possessions had an opposite tendency; but as, in the latter case, there are many abatements from the credit to which she would at first sight seem entitled, so in the former, the history of their acquisition and early relations supplies some apology for the slowness with which she recedes from a system essentially vicious and indefensible. If the policy which England has observed respecting India had been deliberately and systematically determined on, we should be compelled to say that she declined the cheap purchase of inestimable advantages; and that far from sanctioning the magnificent design of laying the foundation of an empire flourishing in arts and industry, she employed one simple and efficacious expedient to prevent all who should resort thither from having the motives or the means that are essential to the accomplishment of such a purpose. *She*

decreed that no European should be capable of being a proprietor or farmer of land. Finding the country overspread with an ill-civilized population, and yielding a relatively trifling, but absolutely considerable revenue, consisting of the rack-rent of almost its whole surface, she determined to become the step-mother of this inferior brood, and to preserve their inferiority, by subjecting them as little as possible to its only corrective,—the contagion of the example of her true sons: to adopt the entire Asiatic system of landed tenures and revenue, and to make Englishmen the instruments of maintaining unimpaired its primeval improvidence: to continue to sweep into the local exchequer about one-third of the annual gross produce of the land, and, after defraying the expenses of government on the lowest scale, to draw the balance to herself as tribute: and by the exclusion of Englishmen from any interest in the soil, to compel each successive flight of functionaries and merchants to realize their earnings

and savings in England. Thus was India, as it were, surrounded with Berkley's brazen wall, but with a sluice to permit the efflux of its wealth as long as it could be made to flow.

The basis of this system, the prohibition of Europeans from holding property in land, "had its origin," says Mr. Colebrooke, "in "an unworthy, not to say groundless dis-"trust. It carried the remedy far beyond "the evil; and established a sweeping one, "when a much more confined one would "have amply sufficed: it remains in force "after the reason of the law has totally "ceased; *and for a different end from that* "*which was contemplated by its enactment.*"* The original reason of the restriction was to prevent frauds and embezzlement in the assessment and collection of the revenue; the "different end" for which it is retained, is to prevent colonization, and thereby the occur-

* On Import of Colonial Corn, p. 82.

rence of a state of things which would wrest the government and patronage of India from the hands of the East India Company.

One plea for this exclusion is to preserve to the natives their lands which might otherwise, it is pretended, be encroached on by Europeans; but when this claim to self-denial is made, no notice is taken of the small proportion of the produce of their lands, which our fiscal regulations leave to them; and there are men who, not looking at India through the spectacles of books, but with their own eyes, have insisted on the generosity of preserving to the natives the monopoly of their rack-rented lands.* We found the inhabitants of India debased with superstition, and steeped in poverty, with some splendid exceptions; we found that "a few had all, and all "had nought." By way of improving their condition, we become ourselves the exceptions, and leave the many their nothing;

* Ed. Rev. No. 19. No. 22.

"they remain in all the misfortune of their "old errors, and all the superadded misery "of their recent punishment." It is improving on the bitterness of the epigrammatist to require the gratitude of a nation for being guaranteed in the enjoyment of what *Codrus* lost.* If the land is ever to become a marketable object for Europeans, they must pay the greater part of its price, not to the native for his privilege of cultivating the government domain, but to government in redemption of its devouring tax. It will be shown hereafter that by no other operation can this chief fountain of wealth be freed from obstructions, and enabled to gush over a recreated territory.

That a country so far beneath the level of practicable improvement, so abounding in latent means of administering to human gratifications, should fall under the tutelage of a nation qualified beyond all others to pro-

* Nil habuit Codrus: attamen perdidit totum nil.

mote their developement, would seem to be a manifest provision of Providence for the common benefit; and panegyrists are not wanting who lavish on the manner in which England *has acquitted* herself of this trust, that fund of praise which ought to be reserved for her entrance on a career having the happiness of the governed for its eternal goal. In behalf of the natives we may address to the authors of such flattering representations what the lion said to the painter in the fable; but they accord so well with the reciprocal wants and capacities of the patron and client nation, and with what we naturally expect from such a connexion, that they always carry with them a most plausible sound. On the other hand, a declaration from the highest authority, (as from one who could " crown his words " with deeds,") that Nature " and Fate had " ordained in unalterable decrees," that our government of India " must, at the best, be " inconvenient to the mother and supreme " power, oppressive and inadequate to the

"necessities of the governed;" * grates harshly on the ear, and revolts, by its implied reservation of a right to commit whatever *oppression* we may think requisite in the execution of any scheme of power that we may choose to adopt. How are we to determine the quantum of oppression which is thus to be justified by the decrees of fate? While statesmen ascribe to their own policy every favourable event, they have often sought to evade responsibility for the failure of their plans by magnifying the domination of fortune over human affairs: but was it ever before attempted to place the doctrine of fatalism in the front of a system of laws with the view of deprecating the indignation that would be excited by the injustice with which they were confessed to be pregnant? Such arguments should only be addressed by wolves to sheep. When the oppressor by instinct meets with any show of

* Speech of Mr. Pitt, January 14, 1784.

resistance, he instantly discovers, that "Na-"ture and Fate" have relaxed their impulse; his appetite becomes more reasonable, his power of abstinence increased, and the "de-"cree" appears to veer round from inevitable indulgence to positive prohibition. Thus, in our dispute with the American colonies, we found that we had grievously miscalculated the quantity of mis-government prescribed by nature and fate. Instead of being "argued "into slavery," they "cast our sovereignty "in our face," and left us to ruminate at leisure on the probable consequences of a more temperate exercise of our superiority.

The above-quoted passage, from Mr. Pitt, reminds us of a sentence in Adam Smith, by an apparently not accidental resemblance in the expression, combined with the utmost contrast in their scope and import. "Such "exclusive companies, therefore, are nuisances "in every respect; always more or less in-"convenient to the countries in which they "are established, and destructive to those

"which have the misfortune to fall under "their government.* The judgement implied in the former passage is, that our treatment of India was the *best* that could be contrived consistently with the laws of nature and the decrees of fate: the judgement pronounced in the latter, respecting the very same system, in its essential parts, and without any saving reference to an over-ruling necessity, is, that it was the *worst*, the most iniquitous and destructive that could be inflicted on a country.

I trust it may be shown that the interests of India may be reconciled and identified with our supremacy; and that an impartial estimate of our duties, as it could not lead to a compromise with wrong, so neither would it terminate in commanding our abdication. Supposing the inclination equal, the beneficence of an administration will be in proportion to the talents of the rulers. With respect to the

* Vol. ii. p 485.

former we cannot, even before a human tribunal, plead any deficiency; with respect to the latter, we urge just claims to more or less of superiority over all competitors. The wisest governments may, for a time, mistake the way that conducts to its object; but no government can wash its hands of oppression, by pleading that it is inseparable from the extent and complexity of the system over which it presides.

In this place I shall content myself with pointing to one great and obvious benefit which experience proves that India can only hope to enjoy at our hands,—internal peace and tranquillity. "Simul et illud Asia cogi-"tet, nullam à se neque belli externi, neque "discordiarum domesticarum calamitatem ab-"futuram fuisse, si hoc imperio non tueretur. "Id autem imperium cum retineri nullo altero "modo possit, æquo animo, parte aliqua su-"orum fructuum, pacem sibi sempiternam "redimat, atque otium."

AN INQUIRY,

&c. &c.

CHAPTER I.

ON THE COMMERCIAL SYSTEM OF THE EAST INDIA COMPANY.

The establishment of a joint stock company for carrying on foreign trade, even though protected by a monopoly, is an evil which infallibly corrects itself, and this the more speedily in proportion to its magnitude: but when the revenues of a vast empire are at the disposal of such a body, the evil is aggravated and complicated to the utmost possible extent. The feet of clay are then the strongest parts of the image whose hands

are of iron, its head of brass, and its legs of oak. So long as its connexion with the earth is uninterrupted, the uncouth and ominous figure may stand, until its disgusting triumph shall have exhausted mortal patience.

It will readily be granted that Dr. Smith has not wilfully extenuated the abuses inseparable from the idea of a monopolizing government. But although his strictures no longer apply to one point, viz. the consequence of under-paying their servants, yet it is certain that he has altogether omitted some of the most pregnant evils and incurable vices of the system, whether considered in a commercial, political, or moral, point of view. He with justice asserts that the Company are incapable of conducting trade with the requisite skill and economy; but he does not perceive that when revenue became subsidiary to (nominal) commerce, their thirst of money, though not abated, was attracted by another object, and left them perfectly indifferent to strictly *commercial* profit or loss. As soon as they were at liberty to dip freely into the redundant stream of revenue, they were no longer satisfied with skimming off the cream produced by trade. Their unwillingness to attend to their interests as merchants

was then equal to their inability; and—they *could not* if they would, was not more certain than—they *would not* if they could. This subject is treated by Mr. Burke, in his masterly way, in a report presented to the House of Commons, June 25, 1783. "The spirit of "all these regulations naturally tended to "weaken, in the very original constitution of "the Company, the main spring of the com-"mercial machine, the *principles of profit* "*and loss:* and the mischief arising from an "inattention to those principles has con-"stantly increased with the increase of its "power. For, when the Company had ac-"quired the rights of sovereignty in India, it "was not to be expected that the attention to "profit and loss would have increased. The "idea of remitting tribute in goods naturally "produced an indifference to their price and "quality; the goods themselves appearing "little else than a sort of package to the "tribute. Merchandise, taken as tribute, or "bought in lieu of it, can never long be of a "kind, or of a price, fitted to a market "which stands solely on its commercial "reputation. The indifference of the mer-"cantile sovereign to his trading advantages "naturally relaxed the diligence of his sub-

" ordinate factor, magistrates through all
" their gradations, and in all their functions;
" it gave rise, at least so far as the principal
" was concerned, to much neglect of price
" and of goodness in their purchases."*

But even this negative statement does not exhibit the full force of this evil. The Company's independence of mercantile profit not only renders them careless in watching the variations of the level of demand and supply, but makes it their positive interest to be extravagant in all that relates to the conveyance of the tribute, and to the export of goods to India. They are sure of their dividends; and the greater the expense of management, the greater the patronage of the Directors, and profit of their friends and clients. Any clear savings could only go towards the liquidation of debt, or into the Exchequer for the use of the public. Is it their interest to effect such savings? Totally the reverse.

A state establishment for conducting trade is founded upon a policy as erroneous as that by which institutions are formed for maintain-

* Works, v. xi. p. 87.

ing the labouring poor in workhouses, or by any other modification of an eleemosynary system. In both cases, much labour and contrivance are exerted to produce a loss, where gain might have been insured without any care or trouble. The labourers in both establishments, from the lowest to the highest, want the alternate spur and check of self-dependence. They have their fixed allowances,—the parish is bound to find them; and the produce of any assiduity or frugality on their parts would be for the benefit of others, who would not thank them for it, and who cannot exact it. Their reasonings and feelings are, in this respect, those of slaves, and the comparative disadvantage to the public is similar to that incurred by the slave proprietor, with this aggravation, that it is perfectly gratuitous, and admits of no compensation.

No part of this corrupt waste is imputable to the local government. *They* desire nothing more ardently than to have the millstone of nominal commerce disengaged from their necks. It is *their* interest to see the country flourish under their auspices, to appropriate *all* its revenue to its own purposes, and not to starve or postpone many craving demands in every department of

government, for want of the funds which are wrested from them by a corporation in another hemisphere. Nor do they ever swerve from the course pointed out by this interest, but inasmuch as they comply with the injunctions and importunities of those whom, in their public capacity, they have very slender motives to fear, and none at all to respect.

Of the degree in which the Directors indulge their propensity to prodigality, in the equipment of their ships, we have an exact criterion in the difference between the rates of freight paid by them and by private merchants, the former being never less than *double* the latter. In February, 1798, the Bengal government published an advertisement, stating that the sum chargeable to individuals for freight, on the regular ships, would be £52 : 15 : 1 per ton, when the price on foreign ships was £16 per ton.* It does not appear that any merchants were allured by this advertisement to procure for their goods the superior comfort and accommodation of a regular ship: but the Company must have been of opinion that *their* goods would

* Henchman's Observ. p. 64.

not be satisfied with less; for an eminent Director declared, in a debate at the India House, June 18, 1817, that there was no other "fleet "of ships then in existence calculated for "their service," than the one which cost them £26 per ton, while private freight was £13 per ton. When the rich Jews, in the time of Julian, in their enthusiastic zeal to rebuild the temple, dug the earth with pick-axes and spades of silver, and transported the rubbish in mantles of silk and purple; they could not be taxed with the folly of imagining that meaner implements were not better adapted to the purpose; neither can the Honourable Company, in their *alta mente*, think it indispensable that the very pack-horses of a caravan should be adorned with trappings "embossed with barbaric gold."

It is obvious that this excess of freight, beyond what is paid by their rivals, must be incompatible with profit; and, therefore, nothing can be more absurd than for the Company to contend that they manage their trade as economically as private individuals, *with the exception of freight;* and yet the Directors do not scruple to advance this self-refuting proposition in one of their reports: "Your "committee feel themselves warranted to

" maintain that the Company ship their goods " in India at a *less* aggregate of costs and " charges than individuals do, and realize the " proceeds here at a less expense, SAVING " ONLY IN THE ARTICLE OF FREIGHT ON THE " REGULAR SHIPS, which *may be* reduced, " with respect to coarse articles, by hiring " ships of inferior equipment."* If for " may " be," we were to substitute " cannot be," we should have a reading more conformable to all preceding experience, and to the subsequent fact itself: for, sixteen years afterwards, we find them declaring that they can spare no portion of the magnificence of their navy, and still postponing the execution of their threat to withdraw their countenance from the coarser articles, by subjecting them to be transported in ships of inferior equipment. Whatever be the cost at which they ship their goods *in India*, the Directors, at least, ingenuously announce that all their mercantile virtue had fled to Aurora and the Ganges; that those whose minds were devoted to the government of an empire could yet keep a corner for the precious infinitesimal details of

* As. Ann. Reg. for 1801, state papers, p. 29.

successful trade; and that only that branch of their affairs was fatally mismanaged, over which they themselves peculiarly and affectionately presided.

But we have confessions of *general loss* upon their trade; and, though these are far from being the best evidence that can be produced in this case, yet declarations have always weight *against* a party, and, at all events, they are necessary ingredients in that mass of inconsistency of which every thing erroneous and pernicious is made up. Thus, a Committee of Directors, in a Report dated March 25, 1793, say, "The remittance of "the fortunes of individuals to foreign ports "was injurious to the Company; but the loss "would have been infinitely greater, if the "investment had been made in India, and "sold in Leadenhall-street for account of the "Company."* Here is a complaint, that individuals would not sacrifice a part of their fortunes in defraying the extra-charges inseparable from sovereign trade; and, at the same time, an admission that, since their losses must be in proportion to the magnitude of

* Henchman, p. 72.

their dealings, the Company could not exist, nor sail a single fleet of ships, but by misapplying or mortgaging the revenues of the unhappy country abandoned to their cupidity. For, whatever might be the out-turn of investments, provided at the expense of India, the amount was so much gain to the Company; and, at different times, they have urged the local governments not to be nice in considering what would fetch a profit and what would not. In their letter to Bengal, of April 7, 1773, they say, "The state of our affairs "requires the utmost extension of our invest- "ments. You are not to forbear sending "even those sorts which are attended with "loss, in case such should be necessary to "supply an investment to as great an amount "as you can provide from our resources."* Did ever a *merchant* think of relieving his embarrassments by instructing his correspondent to send him goods that would sell at a loss, unless he had a fraudulent bankruptcy in contemplation? In this case, the bankruptcy is not only postponed by saddling India with debt, *toties quoties*, but will be ultimately

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* Henchman, p. 74. Burke, xi. 3.

averted by leaving the incumbrance, where it is now sustained, on the back of India. In another letter to Bengal, June 20, 1820, they repeat similar orders: "And if you should at "any time have to determine upon the quan-"tum of investment, without being in pos-"session of particular orders from us, or any "clear and decisive facts to guide your judge-"ment, *you will incline to the more ample "scale of provision*," &c. The correspondent of a merchant may be supposed to act without particular orders; but it is the exclusive prerogative of mercantile sovereigns to permit, or rather to urge, their agents to ship goods "without any clear and decisive facts "to guide their judgements;" that is, without the least knowledge of, or attention to, the state of *prices* in the respective markets.

In 1801, the Directors offered to sustain a loss of £15 *for every ton* imported by private traders, provided they might vex the owners, by restricting them from the use of any other ships but those supplied to them by the Company.* But the private trade that must live

* Henchman, p. 209, and see p. 75, 76. The loss estimated to have been incurred by the Company in supplying tonnage for the privileged trade from 1795 to 1810 inclusive, is £114,293. Fourth Report, 1812, p. 144.

by profit, "or bear no life," abhors constraint, and has uniformly rejected every proffer of alliance. The private merchants are not afraid to encounter the freest competition, but they shrink from the least unnecessary expense: the Company care little for expense, but they dread competition, chiefly from its being pregnant with principles of expansion and intelligence which will finally destroy them.

The inconsistency of the Company, in boasting of their capacity to trade in competition with private merchants, and imploring that they may never be exposed to the dangers of competition, has often appeared in the writings of their advocates, and never more strikingly than in the accredited and most elaborate defence that has been made for them.* The mighty Philistine encourages himself and his adherents, by pointing to his gigantic limbs, "his hairy strength;" and yet, by avoiding the judicial combat, he virtually pronounces the horrible word *craven.* An investigation of their pretensions, in this respect, goes to the very bottom of the expediency of enduring and prolonging their ex-

* The expediency maintained of continuing the system, &c. &c. by Robert Grant, Esq. 1813.

istence: because, if they be capable of conducting trade with the same profit, and of giving it the same extension that private merchants can, England must gain as much by the continuance of their monopoly as she would by its abolition; nor would they be under the necessity of misapplying the revenues of India; at all events, England would gain all that India lost. I, therefore, entreat the reader's attention, not merely to the contrast between the passages I am about to quote, but to the arguments they separately contain. The first is as follows: "Were the monopoly (of the China "trade) abolished, private adventurers would "crowd into it; and although the Company "by their extensive capital, established con-"nexions, mature experience, and high com-"mercial character, might, in a simply com-"mercial view, *look forward to an ultimate* "*triumph*, yet a complete victory does not "imply that there had not been a hard-fought "battle. On the contrary, the probability is, "that the eagerness of the adventurers would, "for some seasons at least, greatly abridge "the profits of the trade to all the parties "embarked in it. Such a struggle, the Com-"pany, if they had nothing beyond commer-"cial interests at stake, might be able to en-

" counter, *with the hope of eventual supe-*
" *riority;* but the diminution, for several
" seasons together, of the resources and credit
" necessary to the due discharge of their
" *political* functions, could not fail to pro-
" duce the most fatal consequences."* It is here plainly said that the Company have a decided superiority in point of capital, connexions, experience, and character. What more could an accomplished merchant desire to give him confidence against the rivalship of " adventurers" but poorly furnished in all these respects? Accordingly it is not in their *commercial* capacity that the Company affect any fear, it is in their *political* capacity! This implies an assumption that their political department is unable to provide for itself, that it leans on the commercial, and must be supported by it; an assumption not merely destitute of proof, but, as I hope will more clearly appear in the next chapter, contradicted by incontrovertible facts. I trust it will be shown that a contest between the Company and private individuals would by no means depend on the commercial strength of the parties, nor be a

* Ibid. page 362.

test of mercantile skill, because the Company, by means of their political connexion with India, would rise refreshed every time they were thrown to the ground. Should that be the case, the combatants would not meet on equal terms; the Company would bear a charmed life, and could not swear that they had "neither bone, stone, ne grass; nor any "inchantment, sorcery, or witchcraft, whereby "the law of God may be abased, or the "law of the devil exalted." The free merchants, however, care not what shape they assume, nor what harness they have on their backs; they give them an open and unqualified defiance.

The other passage is in the last page of the book, and having something of the solemnity of parting words, may be supposed to disclose the author's mind more than the first. "The "relaxations now meditated in the system, "although in themselves *purely commercial*, "do, in fact, *threaten its existence.* With a "full intention, on all hands, that the system "shall be preserved with every political pri-"vilege untouched, with all the semblance of "imperial vigour and dignity, it may be de-"stroyed by the petty depredations of com-"mercial adventure; as the vessel which has

" victoriously withstood the buffets of assail-
" ing enemies and warring elements, the
" battle and the breeze, falls a victim to the
" insects that, with *unchartered* eagerness,
" burrow amidst her planks and feed on her
" timbers; and becomes fit only to be con-
" demned and broken up, without having
" suffered any declension in the symmetry of
" her make, the bravery of her equipage, or
" the force of her fire." Alas! what a change is here! Look upon this picture and on this! The gallant ship that but a few pages ago was engaged in an open " hard-fought battle" with the free-merchants, looking forward to ultimate triumph, now falls a prey to those very enemies, who, without even a chartered right to commit depredations, reduce her to such shameful plight that she is only fit to be condemned and broken up. *Then*, she had every advantage that heart could wish, the soundest timbers, the most complete equipment, a numerous and valiant crew, and a commander of great experience and the highest reputation. *Now*, it is not, it cannot be concealed, she has an internal defect for which nothing can compensate; she must be taken to pieces and the fragments sold; for
" what signify all the art and cost with which

"she can be carved, and painted, and gilded, "and covered with decorations from stem to "stern? What signify all her rigging and sails, "her flags, her pendants, and her streamers? "What signify even her cannon, her stores, "and her provisions, *if all her planks and* "*timbers be unsound and rotten?*"

But without further insisting on the discordance of the two passages, the *depredations* imputed to the free-merchants must mean that they would either reduce the selling price of teas, or smuggle, or, perhaps, both. With respect to the reduction of price, and the increase of consumption and of exports to China, that would follow; these are the arguments on which the free merchants rest their claims to participation in the trade; and nothing can exceed the absurdity and indecency of their being used by the Company to support *their* claims. The free merchants petition for a right to supply the consumers of tea at a cheaper rate than they now pay for that article; and say that every addition to the price at which they could afford to sell it is a chartered depredation on the public. The Company dispute none of the facts, they freely admit the consequences of an open trade as far as the interest of the consumer is concerned; yet they contend that

it is the duty and interest of the public to protect *them* against the effects of competition, and to contribute, by the excess of price, towards the support of their extravagance and mismanagement. With respect to smuggling, I shall here only observe that government may apply the same general principles and the same practical expedients for its prevention, which are successful in regard to every other trade. Excessive prices, whether occasioned by heavy duties or by monopolies, the venality of ill-paid officers of customs and excise, and a low standard of moral principle; these are the causes of smuggling, and these causes ought to prevail less, and do prevail much less in England than in any other country. It is well known to what enormous extent smuggling has always existed in Spain and in Spanish America, not, indeed, on account of the freedom of trade, but, chiefly, because trade was there subjected to all the restrictions which the foolish and wicked spirit of monopoly could invent.

One of the most satisfactory self-disqualifying passages, on the part of the Directors, is contained in the Third Report of their Special Committee on the private trade, dated March 25, 1802. They say: "Whilst the

"Company are preparing a fleet, it is for the "interest of a teak (or oak) ship to sail "before, and being single, the voyage is per- "formed in a much shorter time; and by "arriving so much earlier at her port of "destination, the cargo is sold to great ad- "vantage, whilst the market is forestalled "before the Company's fleet can arrive."— "This *undue advantage* is the more *distressing*, "as the late advices from India state, that "the Company's exports cannot be sold, be- "cause the private traders have forestalled "and destroyed the market.

"The Company's investment has been usu- "ally provided from three sources:

"Surplus revenue, which is now absorbed "by the state.

"The fortunes of individuals, to be remitted "home.

"The sale of the Europe exports in India.

"As the private traders have intercepted "the second, and forestalled the third, it is "but just, on behalf of the Company, to call "on them to point out what still remains."

The answer intended to be elicited by this last question is, *Nothing;* an answer fatal to the cause of those who propose the question. It is a singular course to aim at convincing

your adversary that you are without resources, and to arm him with documents which prove all that he wishes to establish. Without proceeding a step farther, the private traders would gladly join issue at this stage of the trial, and call for judgement; for they both admit and contend that the Company have no commercial capital, and that they are incapable of employing the small part that is ostensibly such.

But, unfortunately, the condition of the Company was by no means so desperate as they represented; and the cause of justice to England and India was very far from being so likely to obtain a speedy triumph as we might have anticipated from their tone of despondence. This will appear from a short review of their three sources.

First, the surplus revenue was not, and is not, as it ought to be, absorbed by the state. Every year a portion of it is diverted from its proper objects to administer to the necessities of the Company, either in the shape of investment, or of interest on loans raised for its provision. At the date of this Report, the Directors knew that, for many years, they had received, and still expected to receive, large investments provided in this manner.

Secondly, the fortunes of individuals are always ready to be poured into the Company's treasury; and, at the date of this Report, the sums annually derived from this "source" had averaged, during several years, £1,500,000. These fortunes, however, are not "remitted" without burthening the revenue. The proceeds are applied to defray the Company's home-expenses; and, in the mean time, the individuals who advanced the capital receive their interest from the revenue, which also guarantees the ultimate redemption of the capital. If individuals had no other security for the remittance of their fortunes than the Company's trade, they would reason as the fox did with respect to the prudence of entering the lion's den, when he saw all the footsteps pointing inwards, not one outwards.

Thirdly, if the Company exported bullion, they would not find the market "forestalled "and destroyed:" but they think it more convenient to make unto themselves friends by purchasing commodities in England, which are sold in India and China at a great loss; this loss, like all the rest, being made good by drawing upon the revenue. The Company complain that they cannot purchase an investment, because private merchants, laying out

their talent to an "undue advantage," have run before and destroyed the market for British manufactures: as if the Indians would not sell their cottons, silks, sugars, and saltpetre, for silver! And this part of their mismanagement, the Company are so far from extenuating, that they invariably make a merit of it. How far their experience of the strength of popular prejudices may have encouraged them in the pursuit of such a plan, I pretend not to conjecture.

In Mr. Bruce's "View of Plans for the "Government of British India,"* we have not only large acknowledgements of general loss by trade, but of losses from a quarter whence they were least expected, viz. from having the uncontrouled disposal of the revenues of India, and from thence diverting a tributary stream into the channel of their

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* I should not be justified in quoting from this work, (a quarto of 632 pages), had it not been an OFFICIAL publication, jointly by the Company and the Board of Controul, in 1793. "Having met the views of Government, and of the Company, at that time, it was printed "by direction of the Commissioners for the affairs of "India." *Preface to Bruce's "Report on the Negoci-"ation," &c.*

trade! "On the subject of their claims," says he, "the Company might, probably, bring "forward a demand of nearly £5,000,000, "for money laid out *in acquiring and defending the provinces*. They might, also, probably expect interest on this sum, which "would more than double it. They might "further state the great *losses* which their *trade* "had suffered since the acquisition of the "Dewannee, *from the necessity which their* "*commercial Boards had been under to enlarge* "*their investments, as the only means of bringing home the revenues*; and add, that from "this circumstance the price of goods in "India had been increased, and the sale "value of them, in Europe, lessened by the "large quantities brought into the market."* Would it not have been a natural expedient, under such circumstances, to have petitioned to be relieved from the burden of "acquiring and "defending provinces?" Or if they could not be gratified in so reasonable and patriotic a demand, if they could not get rid of their *impedimenta*, at least to apply "the revenues" towards the expense of "acquiring and de-

* Ibid. page 233.

" fending provinces," instead of " *bringing* " *them home?*" What hindered them from clinging to their old and profitable, because unsophisticated trade? The best security against losses from the receipt of tribute appears to be the abstaining from taking it. But, instead of adopting measures for insulating themselves from the noxious touch of tribute, we find them betraying the most lively apprehensions, and using all manner of deprecation and expostulation whenever propositions to that effect have been thrown out.

Thus, in discussing one of the plans for separating trade from revenue, Mr. Bruce observes: " Placed in such circumstances, they " would have had no inducement to continue " the export trade, but that of its yielding " them a profit, and no motive for engaging " in the import trade, (for they now would " have had no surplus revenues to bring " home,) but that of its yielding them an ade- " quate profit."* And he goes on to show, that the Company would have had " little " temptation," and " no great inducement," to proceed, thus lightly equipped, in the pro-

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* Ibid. page 239.

secution of *real* trade. In another place, he puts a string of questions equally at variance with claims to indemnification for *losses incurred by the appropriation of tribute;* and which, by their superfetation of error and inconsistency, must deprive his opponent of all power of reply, and leave him only that of admiration. "Would it have been prudent "to stop the partial *aids* which India gives "to the China investments? Would it not "check the general spirit of commercial en- "terprize, if the efforts of the Company to "extend the circle of Asiatic commerce were "discontinued? Would it not, upon the "suppôsition that the India trade had been, "upon the whole, a losing one to the Com- "pany, have been hazardous to take it from "them; and yet to leave the China branch "in their hands, when it is the connexion of "both branches which has rendered the whole "a profitable concern? Would it, in fine, "have been advisable to leave, with them, "what is confessedly profitable, and yet to "have withdrawn from them what their im- "mense stock and established credit alone "could support?"* We are here told that

* Ibid. page 243.

the leaven of profit which qualified the whole lump resided in that portion of the trade which was, "upon the whole, a losing one;" that is to say, even the China investment would not leave a profit if a great part of the teas were not purchased with Indian revenue; and this selection of the medium in which tribute shall be received, is called "commer-" cial enterprize;" and individuals not having this resource could not "support" a trade with India.

But though Mr. Bruce is the mouth of the Company and of Government, there is another passage to which still greater importance may be attached, because (if there be any faith in internal evidence) it belongs to the exposition of a plan submitted by a leading Director, which is said to have been "the result of " study, and of local information."—" If, on " the one hand, the fostering aid and protec- " tion, and (what is of equal importance) " the check of the Governments abroad was " withdrawn from the commercial depart- " ment, the Company would not long enjoy " a new charter, *but soon be reduced to a* " *state of bankruptcy*; and if, on the other, " the commerce was not connected with the " revenue, the best measures which could be

"devised for the management of it, (i. e. the "revenue,) would not render it *productive*."* One would think, that to make *revenue* "productive" was "past praying for," being implied in the definition of the word; but the meaning is, that the revenue would be "pro-"ductive" of no advantage *to England*, unless part of it were appropriated and transmitted thither by nominal merchants, who are by this privilege alone saved from bankruptcy.

The Company's India trade, as it is called, having, since the year 1757, become little more than a vehicle for the transmission of tribute, and being confessedly a losing one, it follows that England has been enriched in a less degree than India has been impoverished. What the difference may have been, it is not necessary, if it were possible, to ascertain, because the importance of any precise exactness on such a point is outweighed by two considerations. 1. We *can* state pretty nearly the amount that has been wrongfully abstracted from India, without the return of an equivalent: 2. Whatever England may have

* Ibid. page 252.

gained by the tribute, it is certain that she would have gained *much more* by free trade, and by regulating her intercourse with India on the principles of colonial policy. Nevertheless, there is a calculation on this subject, by Mr. Lambert, embracing the period from 1757 to 1792, which deserves to be submitted to the reader, both as an approximation to the truth, and as affording a striking illustration of the impolicy of the system. He states the sums paid by India at upwards of £50,000,000; and the amount received by England, both on account of fines, by way of ransom for the territorial revenue, and of duties and customs, after deducting what she would have received from trade alone, according to an average of the customs before the acquisition of territory, at £7,960,868. During the same period, the rate of dividend was less than the former average. So that, to afford Great Britain £8,000,000, India had been drained of more than £50,000,000.* Eight millions, " eight pints of reasonably good " soup, that these politico-mercantile cooks " had been able to produce, after all their

* As. Ann. Reg. for 1803, mis. tr. p. 26.

" simmerings and boilings, all the hams and " chickens, and pounds of beef, which they " had stewed down, and the bills which they " had run up in consequence at the different " shops."

If the trade be unprofitable, and if the territory do not yield wherewithal to defray the expense of " acquiring and defending" it, whence come the dividends, and whence the funds, to supply the excess of political expenditure, for which compensation is demanded? O, they will tell you, the trade *is* profitable! and though, if profit were possible, Archimedes himself, who could number the sands on the sea-shore, could not extract the exact per-centage from the chaos of their accounts, they will make you out a profit, on the India investment, of £22 : 8 : 6 per cent. and, on the China investment, of £37 : 14 : 4 per cent.* Such are the chameleon tricks the gentlemen of the Direction make the trade perform, while, like so many aruspices, they are laughing in their sleeves. Surely, if the people of England employed on this subject one-half of the mother-wit which they disco-

* Speech of Lord Castlereagh, July 18, 1806.

ver on all other occasions, they would not so long have submitted to see the wretchedness of India at the double expense of their own exclusion from its untrodden fields of agriculture and commerce, and of the enhanced price of its imported commodities. They would have remembered that the laws of trade are the laws of nature, and, therefore, are not subject to geographical variations in their tenour and force. They would have treated the local knowledge apologists for mercantile sovereignty as the traveller of old was treated, who boasted that, *when he was at Rhodes*, he had performed an incredible feat of agility. They would be convinced that such a form of government "is a shameful and unblessed "thing," whether we regard the interests of the dependent, or of the metropolitan, country.

So familiar, from their own practice, has the idea of trading to a loss become to the Directors, that they seem to have brought themselves to imagine that private individuals could and would persevere in such a trade. In a report, dated January 27, 1801, on the claims of the free merchants to be permitted to provide their own tonnage, instead of being restricted to that offered to be supplied by the

Company, and to their great *mutual inconvenience and expense*, the Directors observe, "The continuance of its exertions would not "depend altogether, nor perhaps chiefly, on "the gain of the commodities carried to and "from India. *If commodities brought only* "*prime cost and charges*, and yet the ship-"owners could make out a profitable employ-"ment for their ships, which is avowed to "be a leading motive for the present requisi-"tions of the merchants, *it might still be* "*their interest to carry on the trade*," &c.; and in another report, on the same subject, dated March 25, 1802, they say, "In Lon-"don, Amsterdam, or the great commercial "places in Europe, the instances are very *rare* "of the ship and cargo belonging to the same "person, or of the owner purchasing a large "part of the cargo, *to be sold afterwards at a* "*loss*, for the purpose of employing the ship; "*and yet* THIS *appears to be at present the* "*practice of the merchants in India*." The same opinion is contained in a report, dated March 25, 1793. A committee, appointed by several mercantile houses acting as "agents "for the East Indies," had represented, that, from the necessity under which individuals had been to remit their fortunes, in foreign

ships, to foreign ports, Great Britain must have been a loser to an amount which, since the acquisition of the Dewannee, might be estimated at £10,000,000, which sum had been gained by foreigners for freight, agency, duties, &c. In reply to this memorial, the Directors argue as if the *individuals concerned* in this circuitous trade had suffered an absolute loss of £10,000,000! and say that, had their property been remitted through an extension of the Company's investment, "the "loss would have been infinitely greater!"

Should it be asked, why those whose cue it is to justify their exclusive fitness for the conduct of the trade and government of India should on this, as on numberless occasions, seek security from false facts, long exploded errors, or palpable sophistry; we can only account for it by the necessities incident to the defence of a bad cause; for, all the good arguments being inviolably engaged on the other side, what is left to them but a mercenary, impotent, and ridiculous rabble! Doubtless, there are circumstances which, in some degree, console the worthy Directors for the disgrace of marching "through Co-"ventry" at the head of such troops.

I have already observed that Dr. Smith was

mistaken in supposing that the Company continued to seek for profit in the arduous paths of commerce, after they had discovered a royal road to tribute. He is also inaccurate in his statement of the anomaly, or apparent contradiction, between their conduct and their interest. " Trade, or buying in order to sell " again, *they still consider as their principal* " *business*, and, by a strange absurdity, re- " gard the character of the sovereign as but an " appendix to that of the merchant, as some- " thing which ought to be made subservient to " it, or by means of which they may be " enabled to buy cheaper in India, and there- " by to sell with a better profit in Europe." " As sovereigns, their interest is exactly the " same with that of the country which they " govern; as merchants, their interest is di- " rectly opposite to that interest."* This would be true, were it possible to separate revenue from commerce when committed to the management of the same body, and to prevent the Company's left hand from knowing what its right was doing; but the matter of

* Vol. ii. p. 479, 480.

fact is the reverse of what Dr. Smith supposed, and it is their sovereignty, not their trade, that is constitutionally hostile to the welfare of India. As merchants, they enriched India by being compelled to *purchase* its commodities; as sovereigns, they impoverish it by being enabled to *take* them. As merchants, it was their interest to export to India as much as possible in goods and bullion, according to the increase of the demand in Europe for the return cargoes; as sovereigns, it is their interest to export as little as possible, and, by penurious establishments, by neglecting public works, and taxing futurity, to bring away as much tribute as possible. *Auferre, rapere, imperium vocant.* We see, then, that it is neither their interest to be thrifty merchants, nor just sovereigns; we are not, however, without a clew to the labyrinth.

It is their interest to retain their share of the patronage of India, and the disposal of its revenues: first, by keeping up an ostensible and unprofitable trade; secondly, by barring every access to the improvement of India. A strict observance of these two leading maxims is indispensable to the existence of the East

India Company; and the practical enforcement of them constitutes the meritorious tenure by which alone they can maintain their station on their bad eminence.

First.—It is necessary that they should appear to carry on trade; but it is not necessary, nor possible, nor even desirable, that their trade should be profitable. Their command over the revenue offers a perpetual premium to extravagance in that department; and such premiums are more efficient and successful than those which invite to industry and prudence. If they ceased to trade, it was never imagined that they could exercise the powers of sovereignty a moment. If they had even insinuated the possibility of their shutting up shop, and of contenting themselves with being simply KINGS, all the world would cry *periisse pudorem!* But they know their own interest better. They know that if they would grasp the imperial sceptre with one hand, they must continue to flourish the hammer that regulates their auction sales with the other. They cannot imitate Lorenzo de Medici, who, having immense landed estates, determined to increase his income by relinquishing commercial concerns, after "bitterly exclaiming against

" the negligence and imprudence of his factors " and correspondents."*

If they were to renounce trade they would deprive themselves of an argument which holds a conspicuous place in the View of Plans: viz. that the surplus revenue of India can only be brought to England *by* them and *for* them! " If the surplus had been entrust-" ed to the credit of the private merchant, " what security could government have ob-" tained that the amount would be realized in " the treasury in Britain; or what security " could individuals have given that they " would bring the goods to England, pay the " duties to government, or that they would " not have carried them to foreign markets, " to evade the payment of these duties? " Had the surplus of the revenue been en-" trusted to such merchants, they would have " had it in their power to make their own " terms, and might have reduced the value to " the public, either by offering a depreciated " rate of exchange, or by demanding an un-" reasonable length of credit. The inevitable

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* Roscoe, chap. viii.

" consequence would have been a decrease in
" the carrying trade of Great Britain, and a
" diminution of the home duties and customs.
" If a preference had been given to the Com-
" pany, still a similar depreciated rate of
" exchange and length of credit might have
" been demanded; and, admitting their abi-
" lity to pay the portion of the revenues which
" they had taken credit for, their trade might
" have been unequal to the purpose of bring-
" ing home the whole surplus, and they might
" have made their own terms for the amount
" which it might have suited them to take."*
Among all the good things in Mr. Bruce's lively volume, some people may give the preference to this passage, even over that wherein he speaks of the loss occasioned by the *receipt* of tribute. For, 1st, he objects to a mode of remittance as dangerous and inconvenient, which the daily practice of the world, ever since the Jewish or Lombard invention of bills of exchange, in the thirteenth century, evinces to be the safest and most expedient: 2d, he adduces the fear of losing a part of the

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* Page 241.

surplus revenue as a reason for sacrificing the whole. So, Lord Bacon tells us, " fear pre-" occupateth death;" and the usurer, in a time of tumult and danger, " when the foot " of the common soldier sounds an alarm on " his stairs, will, perhaps, hang himself, lest " his throat should be cut." Such is the view of the matter, in which the two parties to the negotiation concurred.

After all, the Act of 1793 affected *not* to sacrifice the whole. Notwithstanding the obstacles that were conjured up to frighten parliament into an abandonment of the whole, the " depreciated rate of exchange,"—" the " length of credit,"—" their own terms,"—the Company were solemnly required, *if they pleased*, to pay half a million yearly into the exchequer. At the end of the first year, while this singular compact was fresh in the public memory, they *were* pleased to pay their half million; but, after that one benevolence, not a farthing could be extracted from them, " by prayers, or threats, or tears," though a surplus of upwards of a million was annually accruing in India. The surplus was most incontrovertibly legible on the books in India, it was plainly tangible; but when it reached Leadenhall-street, it was crumbled into ele-

mentary particles, and dissipated through a hundred volumes.

The Company having thus acquired possession of the tribute, on pretence that it could only be brought to England in their regular ships, precluded themselves from realizing any part of it by means of money paid in London for bills on the presidencies, however decided the advantage of such a proceeding might occasionally be even with their establishments; and though, in fact, it was the only rational mode of remitting the whole tribute at all times. Accordingly, when the Bengal government, in a letter, dated August 23, 1809, recommended that they should grant bills on Calcutta for specie received in London from Americans and other foreigners, they start a number of objections, not one of which has the slightest foundation in commercial principles. In their reply, dated June 20, 1810, they say, that "to accommodate foreigners with bills upon our Indian territories would serve to advance them in the rank of traders, and, consequently, to discourage the trade to England, *whilst it imparted to the Company the character of agents*, and agents for the promotion of the trade of foreigners, which certainly would

" place them in no popular light either here or " in India." As if the Company had not contested every inch of the ground when the free merchants were petitioning to enter into competition with these foreigners. They say, " The bills could have been discharged only " by borrowing money at high interest, by " issuing treasury notes at an unreasonable " rate of discount, *or by the more distressing* " *measure of paying to foreign merchants the* " *funds intended for our own investment.*"— " On the whole, therefore, we are so fully " impressed with a sense of the impolicy of " adopting the plan in question, and of the " injurious result by which it would be fol- " lowed, that, even at such a moment as the " present, *although a sum has been offered* " *us at a favourable exchange, we have not* " *thought it right, notwithstanding the state of* " *your treasuries, and all other existing circum-* " *stances, to accept it:* and to adopt any " plan of this sort as a system, we are con- " vinced would be most impolitic, BOTH IN A " COMMERCIAL AND FINANCIAL VIEW, *as well* " *as in respect to the general reputation of the* " *Company.*" Nevertheless, after the renewal of their charter, by the Act passed on July 21, 1813, circumstances being considerably

changed, they grow less fastidious, and consent to receive into their treasury in London as much money as can be forced into it by the various devices described in their letter to Bengal, dated September 6, 1813;* all of which are strictly conformable in principle to the plan which, three years before, they had so much taxed their ingenuity to find reasons for condemning. Of the utility of the modes of remittance prescribed in this last mentioned letter there is no question. Into the justice with which they therein claim certain funds as *commercial*, and designate certain charges as *political*, and whether they do not, on the strength of these assumptions, riot in the misappropriation of the revenue, I shall inquire in the next chapter.†

Secondly.—It is their interest to bar every access to the improvement of India. The strength and wisdom of governments are necessarily commensurate with, and have their common origin in, a perfect sympathy between

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* See paragraphs 27 and 28 in the Appendix.

† The history of Mr. Richards' removal from his seat in council at Bombay shows at what expense the Company indulge their desire to appear mercantile.

the interests of the subject and the duties of the ruling power. A government confident in the purity of its intentions has nothing to fear from the growing resources of the people, since its own energy and stability are consubtantiated with their prosperity: but one whose duties are in opposition to its interests, one unconnected with its subjects by the natural bonds of political authority, is conscious that any expansion of their resources would be incompatible with subordination, and, therefore, consults its own security by obstructing their advancement.

If a country having a foreign dependency, greatly its inferior in civilization, would give itself the means and motives of transfusing the principles of its own superiority, it must recur to the medium of colonial policy. Colonization will so multiply and strengthen the ties of mutual intercourse and affection, that the protecting power will be able to see with pleasure the increasing strength of its colony; the intermixture of foreign and native population will cement the whole mass by animating it with a national spirit, while the latter will attach themselves to the former in proportion as they emulate their example and benefit by that best instructor. And if such progressive

improvement should ultimately lead to separation, that event should be considered as the consummation of a series of virtuous labours, as the noblest monument of paternal care, as the commencement of a more valuable commercial intercourse with a people destined to spread and to elevate our name and language in the world. If the colony have not an adequate extent of territory, or should it be situated within a short distance of the mother country, the separation will never take place; otherwise, it can only be prevented by perpetual oppression. However much there may be to reprehend in the history of our American war, yet we know that the constancy and talents displayed by the Americans were inherited from their English ancestors; no other nation could have bequeathed such a patrimony; and we may even now say, as the Duke of Ormond said of his dead son, that we would not exchange our emancipated colonies for the dependent colonies of Spain or Portugal. To compliment a nation on the never-ending dependence of its colonies, supposing these well provided with physical resources, would be such a bitter pleasantry as that of Sir Thomas More upon his wife, when he told her that she had prayed so long for a boy, that

she had at last got one who would be a *boy* all his life.

If, on the other hand, it resolve to retain the conquered provinces, by mere military force, it is obvious to what internal and external accidents such a dominion is exposed; there is no mutual attachment, no generous confidence reposing on devoted loyalty, no spring of ceaseless improvement. The government dares not unlock all the springs of political life; it must always be weak, and its timidity will often exceed its weakness. But if a government, thus intrinsically feeble, should be delegated to a body of subjects who are under the necessity of replenishing the channels of deserted commerce by means of tribute, who, by this preposterous endowment, are converted from bees into drones, and who, from the inveterate habit of monopoly, are no less jealous of the enterprises of their own countrymen than of the prosperity of the native population; if the majesty of the supreme power should be intercepted by such a compound of sordid greediness, every source of mischief is carried to its maximum. The ruling passion of such a body must be to exclude disinterested witnesses from the scene of their rapacity, and still more those who

might be inclined to adopt the distant province as their homes, and to identify their fortunes with its own; since such persons would be armed with the strongest motives to awaken their countrymen to the claims of a just and wise policy.

If the genius of the English East India Company appears less malignant than that of the Dutch, as displayed in their governments of Brazil, Java, and the Cape of Good Hope, it must be ascribed to three counteracting circumstances; a greater degree of controul on the part of the State, a greater degree of publicity, and a difference of national character. But in the conduct of both we discover the same predominant maxims: reiterated instructions to keep establishments at a minimum, AND revenue at a maximum, in order that the greatest possible tribute may be sent home; a jealousy of statesmanlike governors; and an anxiety to prevent the beginnings of colonization. The English Company stake their existence upon this single question of colonization; and Mr. Robert Grant has written a great book to establish the following syllogism:

It is highly desirable that colonization should not take place in India:

But the East India Company is the only organ on whose vigilance we can rely for its prevention:

Therefore the Company ought to be maintained in all their privileges. But though I were willing to rest the cause upon the result of an examination of the major proposition, I cannot allow its importance to divert me from the investigation of many other topics which did not enter into the plan of Mr. Grant's work.

As the least encouragement of the industry of India, however directly advantageous to England, might have some tendency to introduce colonization; and as their strength is only adequate to "destroy the "crocodile in the egg;" so have they resisted every relaxation of their monopoly, with the pertinacity of men who would desire to "crack nature's moulds, all germens spill at "once," lest there should arise tongues to plead, and arms to assert the rights of humanity. They have ransacked the mercantile theory for arguments long unused to the light of day, and produced them with as much confidence as their predecessors did in the early part of the last century. Thus, in a

Report, dated January 27, 1801, the Directors say: "Thirdly, with regard to the competition "which a great enlargement of private trade "may occasion in the Indian commerce. "That the law of every market should be a "free permission for those who enter into it "to buy and sell, need not be disputed; but "it is a question, not of commercial prin-"ciples, but of the policy of states, whether "their subjects shall be *encouraged to enter* "*into competition with each other at any par-*"*ticular* FOREIGN *market*. There can be no "doubt that a great increase of demand, and "of purchases in India, would enhance the "cost of commodities there; and that a like "increase in the quantities sold here, though "this mart should be the largest, would, on "the whole, *lower the proceeds*. The conse-"quence from both branches of competition "would, therefore, be evident, and a direct "disadvantage to this country, and a disad-"vantage not to be compensated in this case "by the extent of the trade." This flagrant passage has been well animadverted on by the author of the *Considerations*.* When the

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* Considerations on the Trade with India, &c. 1807. p. 35.

same argument was urged in 1730, we had so little footing in India, that it might be called a "foreign market;" and the Company did certainly "buy" their investments: but, in 1801, it was brought forward for the purpose of preventing our fellow subjects from receiving any compensation for the impoverishing system to which they are subjected by their immediate masters. Respecting the reasoning of the Company, in 1730, Mr. Grant observes: "Dr. Smith treats with ridicule the argu-"ments, or some of them at least, by which "the Company defended themselves on the "occasion; but it would be easy, were it "necessary, to show that those arguments, "*though sufficiently unsound*, were by no "means more open to derision than certain "of the reasonings urged on the opposite "side."* Now Dr. Smith takes notice of *no other* argument than the fundamental one which asserts the disadvantage of competition. "The miserable effects of which the Compa-"ny complained," he says, "were the cheap-"ness of consumption, and the encourage-"ment given to production, precisely the two

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* Sketch of the History of the E. I. C. p. 143.

" effects which it is the great business of " political economy to promote."* And if the argument was " unsound" in 1730, how much more indefensible was it in 1801! The inference to which it unavoidably leads is, that the whole trade of Great Britain ought to be comprised in one gigantic monopoly; a fate to which India would long have been condemned, had the Company been able to bar the rights of *foreign* nations as well as of British subjects; and one which is actually inflicted on most of the Malayan islands by their Chiefs. Sir S. Raffles, finding no trace of this ultra-barbarous practice in their history, thinks it may have " been copied from " the monopoly regulations of the Dutch."

Another mode in which the Company manifest a disposition to sacrifice the incalculable interests of India to their own selfishness, is in exclaiming against the employment of British capital in the extension of the India trade. In their Report of January, 1801, on the private trade, the Directors say: " That the " grand objection of a commercial nature to

* Vol. iii. p. 134.

"this new trade is, that a considerable capital "must be transferred from Great Britain to "carry it on." But would it be transferred from a more profitable to a less profitable investment? Is it a "grand objection" that the gainful end cannot be attained without the application of the appropriate means? Because they can "fill by law," do they imagine that others cannot enrich their country by honest industry? Or do they really think that England is impoverished because she *pays for* the sugar of the West Indies; and because she accommodates the Americans with long credit? This they have distinctly declared to be their opinion. In a memorial, addressed to the Lords of the Treasury, dated May 3, 1797, they say: "Another strong circum- "stance is, the India trade *does not drain the* "*country of its capital, or divert it from* "*other channels, as is the case with the West* "*India trade,* where immense sums are ad- "vanced upon mortgage of plantations: *and* "*in the American trade,* where goods are sent "upon long credit *to the detriment of com-* "*merce.*"

Such was their opinion of the West India trade in 1797. Their opinion of the same

trade, as expressed in their Report of March 25, 1802, is extremely different, and yet not less worthy of the patronage of the Directors. They say: " It may, therefore, become a ques-" tion for consideration hereafter, how far " the importation of sugar from the East, " which leaves a *loss* to the importer, and " the first cost of which is paid for by the " public in silver from hence, shall be encou-" raged, *to the prejudice of the West India* " *sugar*, the cost of which is either spent by " the proprietor in the mother country, or " paid for by the manufactures and stores ex-" ported from home: for silver is often re-" ceived from the islands, but seldom sent " thither." — " The value of every rupee " invested in sugar, and imported from the " East, *is an additional rupee to the balance* " *of trade against the mother country*. Some " able and well-intentioned persons have made " it a question, whether sugar may not be " supplied to an almost indefinite amount; " but they are not aware that the success, or " in other words, the benefit of India in this " instance, *would prove the destruction of the* " *mother country, which cannot exist under the* " *immense drain of bullion that must follow.*

"If the East were in the same predicament "with the West Indies, when the cost of the "sugar was either spent in Great Britain or "Ireland, or paid for in manufactures or "stores, it would be consistent with *the* "*soundest principles of political arithmetic* to "encourage the importation by every possible "means." It would be consistent with the soundest principles to encourage the West Indian, or *dearer* manufacture, in preference to the East Indian or *cheaper!* Every penny *saved* by the superior cheapness of East Indian sugar would be a penny *lost* by the adverse balance of trade! &c. &c.

Thus, if monopoly can "bolt her argu- "ments," we see of what stuff they are, and must be made. Mr. Robert Grant freely condemns them, as "unsound" and "odious;" but his opposition to any material modification of an institution founded on such false and pernicious maxims is not a whit the less unqualified! Respecting the notable error which stands out so prominently in the above quotations, viz. that wealth consists in gold and silver, he says: "But, further, a clear proof "that the faults, however odious they may "now be deemed, of the commercial doctrines

"of our fathers should rather be charged on "the age than on the influence of merchants, "is furnished by this circumstance, that those "doctrines were adopted by impartial men "of eminently profound and original minds."* It is true that the errors of the mercantile system are not the errors of the present generation; they could not long survive the publication of the Wealth of Nations; yet still we see their grim and fetid ranks embalmed in the catacombs of Leadenhall-street. It would not be easy to conjecture how Mr. Grant manages to satisfy his friends for backing them after such a fashion. While they are perishing in the untenable outworks, he fires upon them in his retreat, and unfurls the flag of monopolizing sovereignty from the pinnacle of the castle of patronage, built, as a last refuge, in the centre of the citadel of anti-colonization.

Sir John Malcolm thinks the Court of Directors "incompetent, as a body, to the "exercise, in any shape or mode whatever, "of political power;" but that "though they "may not be equal to the functions of sove- "reignty over an extended empire, they must,

* Sketch of the History, &c. p. 23.

" from the greatness of their concerns, the " liberality upon which those are conducted, " and the general character of the individuals " elected to the Direction, be always deemed " *the first mercantile body in the world*."* Sir John takes it for granted that they *are* merchants, that they have a capital of their own, and that they are liberal in the distribution of the profits earned in trading with it. Had he looked a little into this department he would have found " not one trace of " commercial principle in their mercantile " dealing;" and what is more important, that their abstraction of political funds, and impatience of political expenditure, proceeding from the " liberality" with which their other concerns are conducted, were the immediate causes of all the embarrassments that their orders have ever occasioned in the march of political events. He seems to admit that their " urgent injunctions of economy," at a time when there was a surplus of a million, pre-

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* Sketch of the Pol. Hist. p. 45. Mr. Dundas called the Company's monopoly grafted upon tribute — " the " greatest *commercial* concern in the annals of *polished* " nations." Speech, April 23, 1793.

vented Lord Cornwallis from taking Seringapatam, in February, 1792; so that he was induced to leave the Mysore tiger wounded and writhing with pain and rage, but not the less capable of rendering necessary, seven years later, all the expense and bloodshed of another campaign.* He would have seen that what he considers the only complimentable part of their affairs, was not only ill-administered itself, but the cause of whatever defects existed in other departments; and that the private "habits and pursuits" of the Directors had but little share in rendering their understandings untractable to the appreciation of vigorous and long-sighted schemes of policy. Let, however, Sir John Malcolm's wish to deprive them of political power be but accomplished, and all controversy respecting their merits would at once lose its interest and its subject matter.

* This consequence was predicted by Mr. Orme, in a letter, dated August 13, 1793. Hist. Fragm.

CHAPTER II.

ON THE TRIBUTE DRAWN FROM INDIA.

An enlightened friend of India, in arguing the question of our *right* to draw tribute from that country, employs the following illustration: "A guardian can have no claim to re-"imburse himself, from the ward's estate, for "the expense he incurs in litigation to obtain "a trust not spontaneously committed to him. "Sovereignty is a similar trust, which im-"poses duties on the acquirer, but entitles "him to no compensation for the expense and "risk at which he acquired secure authority "where he had no pretensions grounded on "the voluntary election of the subjects."* The duties incident to every situation in which men can be placed make it a *trust*, for the

* Mr. Lambert, As. Ann. Reg. for 1803, Mis. Tr. p. 29.

faithful discharge of which the moral responsibility is complete, whether it be judicially considered as of perfect or of imperfect obligation, whether it be of so high a nature as to be above, or of so low a kind as to be beneath, the cognizance of law. But the duties of government are not temporary but perpetual, and they are not onerous but profitable in proportion to their conscientious fulfilment. The king never dies, and he has a direct pecuniary interest in the improvement of the estates of his subjects. The trust committed to a government may, therefore, be more aptly compared to that of the *proprietor* of an estate, resident in the case of a mother country, non-resident in that of a colony or distant dependency.

It is not requisite for my present purpose to enter into distinctions respecting free and absolute governments, since the duties of each are the same, however different may be the security enjoyed by their different subjects. If the ruling power considers a people *subjectos tanquam suos*, it is surely a strong reason why it should not hold them *viles ut alienos*. The disadvantages incident to the estate of an absentee proprietor, as well as to the remote dependency of an absentee supreme govern-

ment, are not always factitious, or resulting from their dependence; but may be inherent in them as inferior members of a system which protects thèm while they contribute to strengthen it; so that, under all circumstances, the condition of each may be the one most conducive to its prosperity and happiness; for the resident agent and his servants in the one case, and the local government and its functionaries in the other, may possess means of simultaneously benefiting their principals and those dependent on them beyond comparison superior to any attainable by the native population. And if the results do not correspond to such comparatively propitious circumstances, no apology, founded on the plea of non-residence, can be admitted in justification of the failure.

Leaving this analogy, we may observe that the ability of the different members of an empire to contribute to the general treasury will be inversely in proportion to their distance from the seat of imperial legislation. Many powerful causes concur to determine the circulation from the extremities. Politics and fashion, ambition and pleasure, attract the greatest fortunes from every quarter to the

capital; and innumerable streams, having their sources in the farthest east and west, disembogue into this capacious reservoir. In this manner, the distant provinces contribute to the wealth and splendour of the metropolis; but what the metropolis is to *all* parts of the empire, the whole body of the mother country is to her colonies and foreign dependencies. This tendency towards the centre is essential to the unity of the complicated mass. It creates a maximum of strength where the greatest momentum is required to propel the imperial protection and authority to the remotest regions, while it favourably disposes the supreme government towards those regions by bringing into contact with it persons who are interested in their welfare, and acquainted with their condition.* The absentees may thus be considered as performing the double function of hostages and of virtual representatives.

But their number may be greater than, under the most perfect conceivable arrangement, would be required to satisfy these pur-

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* Brougham's Col. Pol. vol. i. p. 150–151. Burke, vol. ix. p. 134–147.

poses for the common benefit; and this is undoubtedly the case with respect to Ireland and the West Indies. The history of Ireland easily explains why her absentees are relatively more numerous than those of Scotland; but she cannot complain of the excess, since it is a consequence of her early subjection to England, to which she owes her civilization and her industry with all its fruits. The sums she has remitted to her absentees have grown with her growth, but they have not kept pace with it; and the aggregate of her private revenue (the rate of whose increase has been, and may still be, accelerated by the abolition of restrictive laws) must be continually bearing a larger proportion to her tribute. In 1688, it was estimated at £136,000; in 1729, at £627,000; in 1805, at £2,890,000, besides interest on loans raised in England.

In the West Indies, a part of the excess is occasioned by the climate, and a part by the unhappy structure of society. "No great "praise," says Dr. Dickson, "seems to be "due to absentees in general; but I must do "them the justice to believe (what I have "been often told) that one cause of the non-"residence of the more reflecting is, that "they may escape the truly deplorable scenes

" inseparable from the present mode of car-
" rying on the West Indian cultivation; " scenes which destroy their own comfort, " and injure the tempers and the morals of " their children."* These " more reflecting " persons" should consider whether they can plead their sensibility to distress as an excuse for not relieving it; and how far they are responsible for all the suffering that is inflicted on their own estates, by their own " managers," for the under feeding and over working of their slaves, and for the use of no other stimulus to labour than the smart of bodily pain. If they would allow their humanity to nerve them against the first aspect of this wretchedness, they might, even by occasional residence, enjoy a feast of reason and mercy, in training their slaves to gradual manumission.† But though the tem-

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* Mitigation of Slavery, &c. p. 24.

† The desiderata are: 1st, Encourage human labour, and increase its power, by substituting the *plough* for the *hoe*, and by the use of other implements and machinery: 2d, Increase the power of labouring cattle by better feeding, shelter, treatment, and mechanical facility of draught: 3d, Make the slaves *adscripti glebæ*, and pay them in *wages* proportioned to their diligence: 4th, Make them competent witnesses on the trials of whites, and

poral advantage of such a proceeding is as certain as the spiritual, since they would thus greatly increase their incomes, yet experience shows that such is the force of habit and prejudice, that, notwithstanding the tremendous warnings that are sent from time to time, the work will never be accomplished until the colonial legislatures shall be quickened by a more authoritative interposition on the part of the mother country. I have never seen an estimate of the rents of absentee West Indian proprietors, but they "may, without "any exaggeration, be computed by mil-"lions."*

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give equal protection to their persons and property: 5th, Educate them in Christian amity: they would thus be trained to the exercise of freedom, and it would be the interest of planters to allow supernumerary hands to emigrate as freemen to the towns: 6th, Recruit the soil by alternating crops of sugar, corn, potatoes, &c. thereby rendering the price of provisions more uniform: 7th, Reduce the duty on clayed sugar, so as to take away the monopoly of the London refiners: 8th, Remove the 4½ per cent. tax: 9th, Reform the laws of debtor and creditor: 10th, Reform the currencies.

* Brougham, vol. i. p. 152. The only absentee-tax now existing, I believe, is that in Jamaica of 6 per cent. on the gross value of sugar and rum, for legal commission to

It appears, then, that the balance of advantage resulting from non-residence is very greatly in favour of the mother country; and this fact cannot be too strongly pressed on the attention of the latter, that she may be induced to abstain from exacting *public* tribute. All history impresses us with this lesson, and colonial history in particular, that there is more reason to apprehend, and to guard against, the abuse of power on the one hand, than the frowardness and ingratitude of dependence on the other. In the case of nations and their offspring, unlike that of individuals, we find the στοργὴ stronger in the filial than in the parental relation. Accordingly, it appears that (with the exception of India) the only public tribute that Great Britain ever drew from her colonies or dependencies is from a few weak islands incapable of resisting the oppression. She received none from Scotland and Ireland before the

agents; but, in the reigns of Richard II. Edward IV. and Henry VIII. Irish absentees were taxed at no less than two-thirds of their Irish income. See Sinclair's History of the Revenue, 3d edit. vol. iii. p. 155, 158, 159.

unions; none from North America before the revolt; she receives none from Canada; none from any part of the West Indies, except Barbadoes and the Leeward Charibean islands, which are subject to a tax of $4\frac{1}{2}$ per cent. on their gross produce, equal to an average of 10 per cent. on their net produce. Dr. Dickson says that he has "witnessed its grinding op-"pression;" and, further, that "this fatal "duty, as Oldmixon justly calls it, miserably "distresses the islands which pay it, without "materially contributing, on the grand na-"tional scale, to the resources of the em-"pire."* At its first imposition, in 1663, it was not only comparatively light, from the great profits earned by the planters, but it was stipulated that the money should be appropriated to defray the expenses of the islands in which it was raised; a stipulation which has been widely departed from, the greater part of the produce of the tax having been applied to the civil expenditure of other islands, and to various objects quite unconnected with the colonies.†

* Mitigation of Slavery, p. 384.

† Mr. Brougham has an observation on this subject, which, if it means to justify the diversion of the $4\frac{1}{2}$ per cent. fund, is quite unsatisfactory. He says, "Mr.

With respect to that part of the military expenses for which the colonies have been unable to provide, and to the whole charge for naval defence, it may be observed, that the same measures which, by gradually conducting the slaves to a knowledge of the duties and interests of freemen, would render the islands secure against the danger of internal explosion, would also so qualify the coloured population as to make them invulnerable from without; by which mode of defence the colonies themselves would be relieved from much expense, and freed from all alarm; and the military resources of the mother country would no longer be unprofitably dissipated far from the objects to which her efforts should be more immediately directed.

I shall now consider, in the order already

" Burke* inveighs warmly against the diversion of the
" fund from the services of the island where it is raised;
" forgetting how little it signifies, either to the mother
" country or the colonies, whether the money paid by
" themselves, or by the other subjects of the empire, is
" spent among them."—Vol. i. p. 553.

* Europ. Settlements, part iv. ch. 9.

observed, first, the private, and, secondly, the public, tribute paid by India.

India being governed as a conquered province, and not as a colony, it is evident that the tribute remitted through private channels cannot be accompanied by the same effects which have followed the Irish and West India tribute. In the latter case, we have seen that the receivers derived more than a pecuniary benefit, while the tributaries were not without compensation, for this circulation of inhabitants tended to keep up an interchange of kindly feeling, to promote a sense of compatriotism, to consolidate the strength, to multiply and combine the relations and interests by which the empire is held together. In the case of India, neither this additional moral gain on the one hand, nor moral compensation on the other, can take place. Of the many hundreds of persons, resident in Great Britain and Ireland, who derive a whole or a portion of their incomes from India, only some ten or twelve, who have retained an interest in mercantile houses and indigo concerns, possess any controul over the sources whence those incomes are derived. Some, on retiring from India, remove their capitals, and "to their interest, the

"day after they have left it and carried their "whole fortune with them, it is perfectly "indifferent, though the whole country was "swallowed up by an earthquake."* Those, however, who leave their fortunes in that country, whether invested in the Company's debt or in houses, whatever may be their interest, are wholly without power to preserve or improve their incomes. The collection of the public revenue, and the causes which raise or lower the rents of houses, are as independent of them as are the revolutions of the moon. Not being absentee proprietors, they can neither possess the dignity nor utility attached to that character. They do not act as connecting links between England and India. They are neither hostages nor virtual representatives. Being utterly without influence in the country wherein they had spent the vigour of their days, they cannot produce the palladium of landed property to diffuse over the evening of life the reflected radiance of eastern consideration. Should they have acquired a reputation by civil or military services, its pure lambent flame will continue to

* Wealth of Nations, vol. ii. p. 484.

burn, but the oil which fed the intensity of its heat will cease to be supplied. Thus the whole transaction is pecuniary gain to England, and pecuniary loss to India. Such are the effects which present themselves *vestibulum ante ipsum.*

The amount of property annually abstracted from India, by individuals, has varied very little from £1,500,000 since the year 1760. Had it always consisted of the savings of salaries, and of the earnings of honest industry, its yearly amount should have been only one-fifth of what it now is; but what was *then* wanting in legitimate resources was made up by unbounded fraud and licentious rapine.* The public revenues of whole provinces were swept into the coffers of individuals by way of interest on loans advanced to the Nabob of Arcot out of his own funds. In 1785, the capital of all these fictitious debts amounted to £4,440,000, and, to this day, it is a burden on the revenue of the Carnatic.† "If

* "Three members of the council of government (at "Madras) obtained a large assignment of territorial re- "venue in 1767, which came to light in the two succeed- "ing years."—Wilks' Hist. vol. ii. p. 213.

† Mr. Brougham says, "None of the ancient nations

"we fix the commencement of this extraction "of money from the Carnatic (by English "gentlemen on their private account) at a "period no earlier than the year 1760, and "close it in the year 1780, it, probably, will "not amount to a great deal less than twenty "millions of money."* In March, 1793, a committee of London merchants connected with the East Indies estimated that the sums gained by foreigners in the way of freight, charges, and profits, on the remittance of the private fortunes of British subjects from India, from the year 1765 to 1793, could not be less than £10,000,000, which we may suppose to be one-sixth of the capital on which it was gained. Descending to a later period, we find the Court of Directors calculating the amount

"appear to have reached such a pitch of wealth as to give "rise to the emigration of an overflowing capital."—Vol. i. p. 222. But the Roman worthies condescended to be creditors somewhat on the same terms with Paul Benfield, Taylor, Call, Pybus, &c. Ariobarzanes, King of Cappadocia, was overwhelmed with debt to Pompey; the Cyprians were distressed by the interest exacted by Brutus; and the Britons owed Seneca £320,000. Hooke's Roman Hist. vol. iii. p. 554, 569. Henry's Hist. of Great Britain, vol. i. p. 354.

* Burke, vol. iv. p. 208.

of savings to be annually remitted by British residents in India at £1,500,000; but Mr. Henchman considers it to be much understated, for the purpose of resisting the claims of the free merchants. And, certainly, it does not agree with the estimate in their letter to Bengal, dated June 20, 1810, in which they say, " It is no extravagant assertion to " advance, that the annual remittances to " London, on account of individuals, have " been at the rate of nearly £2,000,000 per " annum *for a series of years past*."

India being subjected to so great a drain, in favour of men who are prohibited by law from applying any part of their gains to fructify the soil whence they are derived, it may be asked, on what pretence of justice can government open *another* " fistulous wound that " shall constantly draw off the alimentary " juices which the system secretes?" The following imaginary case may help to set this matter in a clearer light: " Although the " county of Cornwall were not to pay a farthing " of taxes to the treasury of Great Britain, nor " to send a single man to the standing army; " yet, if all its great proprietors resided in " London and Bristol, paying taxes there to " the state; if men from other parts of Eng-

" land resorted thither to accumulate pro-
" perty by the mines and fisheries, and re-
" turned home to spend their gains; if the
" Cornish men paid the whole or the greater
" part of the expense attending the civil go-
" vernment of the county, and served in the
" militia, without pay, as long as they were
" able to bear arms;—we should certainly be
" entitled to call it an integral part of the em-
" pire of great value to the imperial concern
" as a source of wealth; and to denominate
" that traffic a home trade, which is employ-
" ed in exchanging against its minerals the
" cloths of Yorkshire, or the hard ware of
" Warwickshire."* But what should we say if the British government purchased *with the revenue of the county* a quantity of its tin and other produce equal in value to all that was annually remitted to the absentee proprietors, and, whenever the surplus of the county revenue failed (as it must fail) to furnish the means of providing this investment, supplied the deficiency by loans charged on its future revenues, the interest of which loans, and, ultimately, the capital, were also to be trans-

* Brougham, vol. i. p. 151.

ferred to London? If a Nathan were to press such a case on the parliament of Great Britain, that august body would take many years to deliberate before it passed sentence of condemnation on a practice which corresponds, in every respect, to our treatment of India.* They are, probably, yet destined to compile many a voluminous report, to hear and preserve, by the aid of short-hand writers, many distorted facts, and much false theory, from the mouths of witnesses,† before they revert

* "*If so august an authority as the legislature could* "*thus act*, [i. e. *participate* in the Indian revenues,] we "may less wonder that private individuals, and especially "those within the more immediate influence of the mag- "netic attraction, should have forgotten more exalted "principles in a thirst for barbarian gold."—Quart. Rev. No. xxxiii. p. 115. Is it possible this writer should think the legislature not responsible for the *whole* which it *permitted* to be taken, but only for the *part* which it appropriated to itself? His words imply, that it was unworthy of the legislature to receive a shilling of the revenue, but that it might without injustice, or loss of dignity, connive at the abstraction of millions.

† These examinations abundantly exemplify the truth of Dr. Cullen's favourite remark, that there are more false facts than false theories in the world. In general, however, the false theory is *mixed* with what passes under the name of *fact*. See Stewart's Philosophy, vol. ii. p. 441.

to mere common sense, and the received maxims of political economy, for principles whereby to regulate the trade and government of India. The day when justice shall be fully done to these great claims will assuredly come at last; and if the Rockingham and coalition ministries had not fallen victims to court intrigue and popular delusion, a most important step would long ago have been taken; for they would not have permitted the Company's investments to continue to be "supported on "principles fatal to the prosperity of India."* They devoted themselves with the heroism, but without the success, of Curtius. That yawning gulf must be filled up, not with the sacrifice of the best thing in the commonwealth, but of the worst.

On the acquisition of the Dewannee, in

All that the Company's witnesses did prove was nothing more than the tritest circumstances respecting the ignorance and prejudices of the natives. But the Directors will never again be able to march troops of witnesses to the bar of the House of Commons. The opinions of their servants, civil and military, whether taken by tale or by weight, will be found decidedly to preponderate in favour of all that *they* most eagerly deprecate.

* Burke, vol. xi. p. 78.

1765, Lord Clive stated the revenue at £2,500,000, and the surplus, to be annually carried off as tribute, at £1,650,900. All the purposes of defence, of civil administration, and of public works, in a country where these are exclusively expected at the hands of government, were to be satisfied by one-third of a revenue supposed to consist of nine-tenths of the net produce of the land, and two-thirds were to be drawn off by a parliamentary corporation, originally instituted for the purpose of *trading* to the East Indies. The revenue was subsequently much increased by assuming the monopoly of salt and opium, and by subsidies from neighbouring princes; but it appears that the average annual tribute, in the shape of investment, from 1765 to 1791, was upwards of a million.* What it has been since may be collected from the following facts: viz. whereas the interest on debt, in 1792–3, was £636,226, in 1808–9, it was £2,309,836, the net increase of debt having been £20,905,194; *and the debt was contracted in the above period, during which the net sur-*

* View of Plans, p. 318. As. Ann. Reg. for 1803, Mis. Tr. p. 40, 41.

plus revenue, after defraying all charges except interest, amounted to £17,833,187.*

Reckoning the aggregate of tribute, public and private, at only two millions a year, it will amount, in the 55 years which have elapsed since 1765, to £110,000,000. It is to be observed, that, whenever the deficiency of surplus was made up by loans, four-fifths of the money so raised must have gone in diminution of the private tribute, and would otherwise have been remitted, in a separate channel, under its own proper name, four-fifths being the proportion of the Indian debt that is held by Europeans.† Although, at that period, the aggregate of tribute must have been less than at others, yet it was every year as great as, under all circumstances, it could possibly be made. It is obvious that the source of public tribute must have been exhausted long ago, had not the extension of our dominion continually opened fresh springs to supply it; nor is it less clear that, when the revenue of Bengal was only four millions, or any other limited sum, sup-

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* Appendix, No. II.

† Letter from the Bengal government, August 23, 1809.

posing the charges also limited, the rapid impoverishment of the country, caused by the annual loss of a million and a half, would occasion a progressive diminution of the revenue; that to supply this deficiency debt would be contracted; and that the original surplus, being consumed at one end by increasing interest of debt, and at the other by diminishing income, would soon disappear, while public credit must die with it. When Parliament, therefore, in a sort of legislative preamble, passed an abstract declaration of censure on the prosecution of schemes of conquest in India, it ought, in all consistency, to have superadded a resolution, stigmatising the conversion of an exclusive *trading* company into a syphon for draining a conquered province of its wealth.

Under the supposition of a limited surface from which it was to accrue, the private tribute, though it would have lasted longer, must also, in time, have ceased to be forthcoming; for "no country can long import "unless it also exports, nor can long export "unless it also imports."*

* Ricardo, p. 364.

The impolicy of the British system of providing for the expenses of war by loans has been unanswerably insisted on by the ablest writers of every period.* But, in Britain, the greater part of the borrowed capital, and almost all the interest, are spent within the country, and, during intervals of peace, the nation may make what exertions it pleases to release its revenue: whereas, from India, all the borrowed capital, and four-fifths of the interest are constantly withdrawn without the return of an equivalent; and, since the demand for tribute is perpetual, there is no interval during which a surplus can be exclusively applied to the reduction of debt. No sooner does the acquisition of fresh territory, or an improvement in fiscal ingenuity, open a new field to the revenue, and yield it a fund that might be available for the redemption of debt, than it is devoured by the ravenous and insatiable harpy. Under the present system it is demonstrable, that India never can be freed from financial incumbrance, but

* Sir J. Stewart, Hume, Smith, Malthus, Hamilton, Ricardo.

must continue to maintain an unceasing struggle between exertion and embarrassment. Under this system India is not only burdened with the interest on a debt not its own, but with the loss incurred by remitting that interest through the medium of the Company's trade, whether the loans be made in England or in India. If made in the former country, the expense of remitting the interest in goods, the proceeds of which will be less than prime cost and charges, must of course fall on the Company, that is, on India: if made in the latter country, the creditors will either stipulate for the option of payment of interest in London at the market rate of exchange, which the Company's trade cannot afford, or be compensated for the inconvenience of not having that option, by a higher rate of interest. The loss resulting from this process will, of course, be augmented by the repayment of capital in England, and be altogether saved by the repayment of capital in India.

Various are the modes in which the advocates of the Company have treated the subject of public tribute; their opinions exhibit as much variety as could be expected from men to whom every course was open,

except the right one. 1. They speak of it with great indifference, as a matter the justice and policy of which could not be questioned. 2. They apologize for it, as being unavoidable. 3. They represent it as being advantageous to India. 4. They deny that any tribute has been taken, contending that the debt has been occasioned by the insufficiency of the revenues to cover the political expenses, and that therefore the territory is justly charged with its redemption.

I. They confess the tribute, and beg the question as to its justice and policy. In 1793, Mr. Dundas said that the Company was "an "organ of government and of *trade* which "had experimentally proved itself to be "suited to the administration of distant pro- "vinces, *the revenues of which were to be* "REALIZED (in England) *through a regulated* "COMMERCE." And, to the same purpose, Mr. Bruce: "Here the second question pre- "sents itself, through what hands, upon this "plan, could government have brought home "the surplus revenue? That this surplus "must be realized in Britain, through the "import trade, and that it can pass through "no other medium, is ah admitted and esta-

" blished *fact*."* The Court of Directors, in a letter to the Bengal government, dated June 20, 1810, say: " It is no new doctrine, " that all the acquisitions of Europeans in " India will, in some shape or other, be trans- " ferred to the mother country, unless they " colonize in India; a practice of which, hap- " pily, there have, hitherto, been few exam- " ples:"—and that ever since 1756, but particularly since 1765, " there has been, as is " well known, a constant drain from India " of the wealth, public and private, acquired " there by Europeans." And so they dismiss the subject of the " constant drain" of public and private wealth from the country committed to their care. It is, they say, an old and " well known" grievance, and " happily" not likely to be alleviated.

Lord Cornwallis, in a minute of February 3, 1790, says: " Its real value (i. e. of Bengal) " to Britain, depends upon the *continuance of* " *its ability to furnish* a large annual invest- " ment to Europe; to give considerable " assistance to the treasury at Canton; and

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* View of Plans, p. 241.

" to supply the pressing and extensive wants " of the other Presidencies. The conse- " quences of the heavy drains of wealth from " the above causes, with the addition of that " which has been occasioned by the remit- " tance of the private fortunes, have been for " many years past, and are now severely felt, " by the great diminution of the current specie, " and by the languor which has thereby been " thrown upon the circulation, and the ge- " neral cultivation of the country." It is very remarkable that it did not occur to this able and upright Governor-General that the real value of India ought to depend, not on the precarious continuance of an impoverishing tribute, but on the certain benefits of an enriching trade; and on the field that it afforded for the labours of civilizing colonists.

Mr. Mill thinks that, " as regards the Bri- " tish nation, it is in these (financial) results, " that the good or evil of its operations in " India is *wholly* to be found. If India " affords a surplus revenue which can be sent " to England, thus far is India beneficial to " England."* And an anonymous writer

* Vol. iii. p. 718.

avows the same opinion, not with a stern disregard, but with a cool and facetious contempt of the consequences to India. "Whether "any country," says he, "can, for a long period, "afford to yield a considerable tribute without receiving a commercial return, in one "form or other, *is a curious question of political economy*; and those who are disposed "to support the negative of the proposition, "will have some difficulty in showing the "utility of our territorial acquisitions in "India."* This writer sees no objection to pursuing the experiment until it end in the cessation of all gain to one party and the complete prostration of the other. When the vital fluids shall have been drawn off, then the carrion carcass, being of no further "utility," may be thrown to gorge the obscene birds of the air and the beasts of the jungle. This is not the *utility* of the guardians of the public welfare, but the *utility* of a robber or a foe.

II. They plead necessity. Mr. Shore, in a minute of June 18, 1789, says: "If we were

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* Considerations on the Danger and Impolicy of laying open the Trade with India and China. 1812.

"to suppose the internal trade of Hindostan "again revived, the export of the produc- "tions of the country, by the Company, must "still prevent those returns which trade "*formerly* poured in. *This is an evil inse-* "*parable from an European government.*" What! is an European government incompatible with the existence of trade, which could pour in its returns only under the auspices of the native tyranny which we supplanted! In a tract by Mr. Charles Grant, printed by order of the House of Commons,* the author, after fully exposing the nature and extent of the public and private tribute (which he estimates at fifty millions, from Bengal alone, in the thirty years following its acquisition) says: "Certainly, a great deal was "due from us to the people in compensation "for the evils which the establishment of our "power had introduced among them, and in "return for the vast advantages which we "reaped from the change, it was but fit that

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* Observations on the State of Society among the Asiatic Subjects of Great Britain, particularly with respect to Morals; and on the Means of improving it.

"what the country had suffered, or was sub-"jected *unavoidably* to lose, by being de-"pendent upon us, should be repaid by all "the benefits which good government, in "consistency, at least, with that dependence, "could bestow." But nothing is said to show how the extraction of public tribute was and is unavoidable; and if we should be referred to certain unalterable decrees of Nature and Fate, already spoken of, the necessity would not be at all the more intelligible.

The author, however, does not admit that the Company were actuated by a spirit of rapacity. "With respect to the Company and "to Europeans in general, these various evils "proceeded more from the elation of new "success, from extravagant notions of the "resources of the country, and unreflecting "eagerness, *than from intentional rapacity.*" Now all these dispositions are perfectly consistent with rapacity. Men released from external controul, and able to gratify their appetite for plunder, will, no doubt, be insolent, and careless of consequences; but the moral quality of those transactions depended on the validity of the title under which they acquired their wealth, not on the giddy trans-

ports which the prize excited, nor on the accuracy of their calculations respecting the amount of what they refrained from taking, nor on the uses to which they applied their rapine. And how does the apology here offered apply to the Company? They were far removed from the scene of the scramble, yet they gladly received their share, and prescribed a strict continuance of the process by which it was obtained. Even if the resources of the country had not been sifted and bolted to the bran, by Lord Clive and his successors, they knew precisely what proportion the tribute they exacted bore to the sum total received into their treasury at Calcutta: but postponing all thought of the claims of India upon that treasury, they deliberately resolved to consider the acquisition of it as a dispensation from all further obligation to prosecute their trade; and counted, with glistening eyes, how much must be doled out for local expenses, and how much might be carried away in triumph.

Nor was it merely during the elation of their first success that the Company forgot the duties that belonged to their new character. From the system which they then adopted, "by which it was absolutely impos-"sible that India should not be radically and

"irretrievably ruined,"* they never voluntarily departed; having constantly enjoined the exaction of the heaviest tribute that could be realized, and resisted every palliative that the legislature has hitherto applied. They have never considered how irreconcilable the sacred right to protection in the people of India is with the open profession of a plan to try "the continuance of their ability" to be drained of their wealth. "To protect "men," says Burke, "is to forward and not "to restrain their improvement; else, what "is it more than to avow to them and to the "world, that you guard them from others, "only to make them a prey to yourself? This "fundamental nature of protection does not "belong to free, but to all governments; and "is as valid in Turkey as in Great Britain. "No government ought to own that it exists "for the purpose of checking the prosperity "of its people, or that there is such a prin-"ciple involved in its policy."† It is doubt-

* Burke, xi. 51.

† Vol. iii. 225. Respublica, res est populi cum bene ac juste geritur, sive ab uno rege, sive a paucis optimatibus, sive ab universo populo. Cic. ap. Augustin.

ful whether the positive or the negative part of the system, by and for which the Company exist, evinces more decidedly a hostile mind on the part of the rulers to their people; and with respect to the inference from such a state of things, the great master already quoted observes, "that he never knew a writer on "the theory of government so partial to au-"thority as not to allow that the hostile mind "of the rulers to their people did fully justify "a change of government; nor can any "reason whatever be given why one people "should voluntarily yield any degree of pre-"eminence to another, but on a supposition "of great affection and benevolence towards "them."*

The injury inflicted by impoverishment is of that gross and palpable kind which it cannot be pretended that any people would virtually sanction. If the natives fully understood the nature of those measures which produced that severe general distress and languor described by Lord Cornwallis, we cannot presume that they consented to them; still less if we suppose them ignorant of their nature

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* Ibid. p. 163.

and tendency. We cannot speak of the ruling power making compensation, by the benefits of good government, for the evils simultaneously inflicted by its own mal-administration, without an extraordinary solecism; and one not less impious than absurd. It would be to resemble those men, of whom a great divine says, that "they are for making a composition "with the Almighty. These of his commands "they will obey: But as to others——why "they will make all the atonements in their "power; the ambitious, the covetous, the "dissolute man, each in a way which shall "not contradict his respective pursuit."*

The little that Mr. Robert Grant has said on the subject of tribute,† a word which does not once occur in his twin volumes, is full of

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* Bishop Butler's Sermon upon the Character of Balaam.

† Absolute silence is not an unusual resource with this writer. Thus, he has not a syllable on the subject of the Nabob of Arcot's debts, though it is inseparably mixed up with the history of the Madras residency, subsequent to the year 1766. Such is his method of "virtually" and "*tacitly*" refuting charges against the servants of the Company. See *Sketch of the History*, &c. pp. 289—292, 365, 366.

error. 1. After stating that great frauds and extortions were practised by the native officers employed in the collection of the revenue of Bengal, between the years 1765 and 1769, he observes: "The effect *of these circumstances* "was the gradual impoverishment of the "country; an effect, however, to which *other* "*causes* greatly contributed."* Admitting the existence of the alleged abuses in their utmost extent, the impoverishment was not only not in the least degree occasioned by them, but they had plainly a contrary effect. We are told (and Mr. Verelst tells us more fully in his instructions to the supravisors) that the native agents, by every artifice of deceit and collusion, embezzled vast sums of the produce of the land-tax. Well! as much as stuck to the fingers of these native peculators, as much as they intercepted from the British treasury,—so much was saved, and therefore gained, to their country. 2. Neither is the true source of the impoverishment to be found among the "other causes," and "new set of evils col-"laterally but almost *unavoidably* occasioned

* Ibid. p. 368.

" by the transfer of the revenues from the " treasury of the Nabob to that of the British " government;" which Mr. Grant thus describes: " As the new wealth thus accruing " to the Company could be realized in Europe only through the medium of COMMERCE, the orders for the Bengal investment were at once very largely augmented. " This enhanced demand could not immediately be met by a proportionate augmentation in the supply of the commodities " required; and, as a remedy for the difficulty, " the *native agents** of the Company too " frequently made use of compulsory measures to secure to themselves a pre-emption " of the market to the exclusion of the country dealers." In this passage, the realization (as it is called) of a portion of the revenue *in England* is not at all assigned as the main cause, nor as any cause, of the distresses to be accounted for: it is mentioned

* See Mr. Richards' Surat Diary for the *European* agents' management of refractory artizans. Similar oppression was practised everywhere, and even still India might exclaim, Perish such *commerce!*

solely for the purpose of introducing the statement respecting the extortions imputed to the native officers. The gain effected by the power of pre-emption, or by the forcible taking of goods at the buyer's own price, was undoubtedly authorized; but whatever was embezzled by the native agents, together with all that they levied without authority, must have been appropriated to their own benefit, and therefore did not go to swell the volume of the tribute. Under no view of the matter can these native instruments, with all their imperfections and offences on their heads, be transformed into scape-goats. Mr. Grant having thus glibly substituted for a radical and permanent evil, its apparently temporary and corrigible accompaniments,—and these actually operating as its correctives,—proceeds, as might be expected, to show that "there "was yet in the national genius and princi-"ples of the British, what might retrieve the "faults and rectify the disorders that have "been described." We are left to suppose, that thenceforward the annual operation of extracting tribute was performed so skilfully, that the patient could not feel it, either in its immediate or remote effects. 3. Retrospec-

tively Mr. Grant exonerates the tribute from all influence whatever in effecting "the gradual impoverishment of the country:" yet, at a later period, when that mine could no longer be so profitably worked, he hints his doubts as to the equity of doing so for the future, and gives only his faint disapprobation to uphold the practice. Thus: "The act of "1793, indeed, provided for a participation, "on the part of the British public, in the "surplus of the Indian revenues; but, surely, "the revenues of a great empire are sufficiently operative when they fully feed its "expenditure! Those who expect more from "the empire of Hindostan appear to deal "out a hard measure!!"* This from one who speaks of realizing in England the new wealth accruing to the Company from the revenues as a matter of course; the only question raised on the occasion respecting the mode of its conveyance! But Mr. Grant, having no explicit opinions on the subject of tribute, and not appearing conscious that he was treading on any debateable ground, can-

* Expediency, p. 360.

not properly be comprehended in any of the four classes into which, with reference to that all-important question, the advocates of the Company may be divided.

III. They represent the tribute as being advantageous to India. It is not less true at this day than it was in 1783, that, ever since the year 1765, the greater part of the Company's annual investment from India has been purchased with Indian revenues, or with loans raised by mortgaging them; "that the greatness of this investment has been the standard, by which the merit of the Company's principal servants has been too generally estimated;"* and that this main cause

* Thus, in a debate at the India-house, December 6, 1798, in a General Court held for the purpose of voting a pension to Lord Hobart, Mr. Inglis (late Chairman) said: "*In matters of* COMMERCE *his exertions stood unrivalled in the annals of the East.*" The proof of this superiority of commercial genius and activity in his Lordship was, that he had raised the average public tribute, drawn from Madras, from £162,000 to £507,200. During all this time the revenue of Madras, (which has since been greatly increased by accessions of territory) was far from being adequate to its expenditure. In the year 1796-7,

" of the impoverishment of India has been " generally taken as a measure of its wealth " and prosperity."* Such a mistake seems scarcely excusable, seeing that the Parliamentary discussion which the subject underwent in 1767, and the acts then passed proclaimed to all the world that the imports of the Company were no longer to be considered as the produce of a commercial capital to be replaced with a profit, and so reinforced to be employed in the increased production of commodities,—but as the payment of a tribute.

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the charges (including interest on debt) were	£2,445,532
The revenues, (including ¼ of £381,938, received in India on the sale of import goods, and for certificates on the Court of Directors,) were	2,091,812
Deficit	£ 353,720
Commercial exertions of Lord Hobart......	642,048
Total *deficit* to be supplied by Bengal, or by loans	£ 995,768

Let the reader judge from this *foot* what must be the effects of the ever active Herculean mischief.

* Burke, vol. xi. p. 51.

But we are more surprised to find the mistake committed in the very moment when the writer, or speaker, is either exulting in the clear gain to England, or complaining of the distress produced in India by its remittance.

Out of many examples I shall adduce a few in their chronological order. The most simple and precise expression of this opinion, which makes the happiness of India consist in toiling and spinning for the benefit of another nation, is by Mr. James Grant, a Bengal civilian, who says: "We insist and will "maintain, that such or even a more exten-"sive TRADE than is now carried on by the "East India Company in exports from thence "(from India) *without returns of exchangeable* "*merchandize*, is so far from being destructive "to the country, that the necessary standard "of finance, the ease, welfare, and prosperity "of the society at large, particularly the class "of manufacturers, *absolutely and almost* "*entirely depend on its continuance*."*

Mr. Bruce, after speaking of the decline of the revenue, and every other symptom of impoverishment which became so visible soon

* Fifth Report, 1812, p. 326.

after the Company had assumed the fiscal government of Bengal, concludes as follows: "It is "almost certain that had not an OUTLET for "Indian productions been afforded by the "European companies, the fall of Eastern "arts and manufactures, and the consequent "distress of the natives, would have been "more sudden and great."* He makes no distinction between the different principles on which the great English and the small foreign companies conducted their trade; being "almost" persuaded that the main requisite to the prosperity of India is to open an ample "outlet" for her produce.

A minute recorded by Lord Wellesley, June 2, 1798, contains the following passage: "The investment, at once the most powerful "cause of our temporary distress, the main "spring of the industry and opulence of the "people committed to our charge, and the "active principle of the commercial interests "of the Company, is more likely to be in-"creased than diminished in any future year; "*and, consequently, the embarrassments of our* "*finances must be progressive,* if some means

* View of Plans, p. 473.

" be not devised for aiding the resources of " this presidency, which must now be consi- " dered the general treasury and bank of our " Indian empire, furnishing supplies for the " services of all our other possessions in In- " dia, as well as a large and increasing pro- " portion of the capital employed in the trade " to Europe and to China." We are here told that the same thing, the investment, is the cause of opulence to the country and of poverty to the state,—of increasing wealth to the tax-payer, and of increasing embarrassments to the tax-receiver. It is said, theoretically, that the people are benefited by the efflux of the produce of their land and labour; but it is felt, practically, that the operation is debilitating, and, if unchecked, will become ruinous.

Mr. Dundas, in his budget speech, March 12, 1799, while he admits that " The pur- " chase of investments has been made princi- " pally by money raised on loans at a high " rate of interest," and that " the inconveni- " ence produced thereby is great," observes, in reply to the objections that " might be" made to such management, (for nobody took the trouble to make any,) that " it was cer- " tainly the duty of the Company to embrace " the favourable opportunity of adding to their

" *trade,* which offered by the removal, for the
" most part, of foreign competition; and that,
" if they had not done it, disastrous effects
" might have been produced: the industry of
" the natives would have been cramped, the
" cultivation of the raw material discouraged,
" and the manufacturers deprived of support."
We have here exactly the same error, or, rather, the same hypocritical pretence, that it is advantageous for India to export, without returns, produce purchased with her own money. In revulsions of trade, individuals suffer loss by the difficulty of withdrawing that part of their capitals which may be invested in machinery or in agriculture: but though the state has always afforded more or less protection to the agriculturist, at the expense of the community, it has never assisted manufacturers, when distressed by changes from peace to war, or from war to peace, by granting a bounty on the exportation of their goods. The interest of the nation requires that no artificial obstacles should retard a new distribution of its capital. Such evils are not only temporary, but are more incident to rich and powerful countries, which can best support them, " where large capitals are invested in machi-
" nery, than to poorer countries, where there

" is proportionally a much smaller amount of " fixed, and a much larger amount of circula- " ting, capital, and where, consequently, more " work is done by the labour of men."* A suspension, or cessation, of the payment of tribute, if not accompanied by the extension of a legitimate market, would, no doubt, produce some of the effects of a revulsion in trade; but since the Indian artisan has no fixed capital worth mentioning, he could, with little inconvenience, turn to any other employment that would be in demand in consequence of the relief from tribute; and the labours of agriculture are always open to receive him.†

* Ricardo, p. 367.

† Extract from Answers to Interrogatories, by Mr. Wordsworth, collector of Rungpore, 1802. " The wea- " vers' chief inducement to labour as manufacturers " seems to arise less from necessity, or motives of indus- " try, than from a well known disposition (governed by " custom) to engage more or less in the same business in " which their forefathers have been occupied: and I am " credibly informed that, out of thousands who have been " accustomed to receive advances from the merchants " for years together, *few, if any, are found,* like the ma- " nufacturers of most other countries, *to express the least con- " cern, or complain of any suffering consequent distress,* " when, from stagnation of trade, or other causes, the mer-

Lord Castlereagh said, (July 18, 1806,) "The worthy Alderman (Prinsep) must be "prepared to dispel the apprehensions which "must be entertained with respect to the inju-"rious influence on the prosperity of India, "which may be the consequence of an *un-"steady and unequal demand for its produce*, "before he can expect to satisfy Parliament "that an intercourse perfectly unrestrained is "preferable to that qualified intercourse, "partly free and partly restricted, which now "prevails." If to prevail on parliament to liberate India from the fangs of the Company, it had only been necessary to satisfy its tender anxiety that the prosperity of that devoted country would not be endangered by substituting an unrestrained barter for the steady and equal "demand for its produce" in exchange for its own revenues; we might hope that upwards of half a century would not have been spent in vain and fruitless endeavours to effect it. If there ever had been a sincere desire to protect India, her friends might have succeeded in

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"chants are obliged to withhold from them suddenly, or "for any length of time, the usual supplies of cash for "the provision of goods."

proving that she could not thrive under the exhaustion of her life-blood, while we, who received it, were not at all afraid of bursting with repletion.

Coming down to a later period, I shall refer to a letter from the Vice President in Council, of Fort William, dated August 23, 1809, paragraph 114, and the answer to it from the Court of Directors, dated June 20, 1820, paragraph 61, in both of which documents the remittance of debt, or tribute, is spoken of as "giving encouragement to the "industry of the country." Finally, Mr. Hastings, when examined by the House of Commons, March 30, 1813, said, (without any chronological restriction,) "The Company's investment affords a livelihood to thousands, it animates the industry of the people, and is equally beneficial to both."

The provision of the greater part of the Company's Indian investment is essentially, and almost formally, the same operation as if India gave a bounty on the exportation of her produce. Now "the sole effect of a bounty, "either on the exportation of manufactures, "or of corn, is to divert a portion of capital "to an employment which it would not naturally seek. It causes a pernicious distribution of the general funds of the society; it

" bribes a manufacturer to commence or con-
" tinue in a comparatively less profitable em-
" ployment. *It is the worst species of taxa-
" tion*, for it does not give to the foreign coun-
" try all that it takes away from the home
" country, the balance of loss being made up
" by the less advantageous distribution of the
" general capital."* A bounty on the *pro-
duction* of particular commodities, by giving a strong impulse to their exportation, and an equally strong stimulus to the importation of those on whose production it was given, would, in a still greater degree, " alter the natural
" distribution of employments, to the advan-
" tage, indeed, of the foreign countries, but
" to the ruin of that in which so absurd a po-
" licy was adopted."†

Mr. Ricardo having stated and illustrated an imaginary case of a colony being compelled to pay a heavy bounty on the exportation of its raw produce and manufactures to the mother country, observes, " It may, however,
" be said that a bounty on exportation is a
" measure of internal policy, and could not
" easily be imposed by the mother country."‡

* Ricardo, p. 439. † Ibid. p. 457.
‡ Ibid. p. 478.

Certainly, no mother country has ever carried her selfish treatment of a colony to so injurious an extremity; but conquered provinces, entrusted to a Dutch or English East India Company, afford examples of the infliction of this scourge during " the continuance " of their ability" to bear it.

IV. They deny that any tribute has been taken, contending that the debt has been occasioned by the insufficiency of the revenues to cover the political expenses; and that, therefore, the territory is justly charged with its redemption. Notwithstanding the inextricable confusion which reigns throughout the details of Indian accounts, the masses, not of deficiency, but of surplus territorial revenue, from the year 1765 to this hour, are so palpable that it must require no little hardihood to present statements exhibiting a contrary result. I know only two directors who have ever committed themselves in so hopeless an undertaking, Mr. Nathaniel Smith and Mr. Charles Grant; and, as their statements embrace different periods, we have only the weight of one authority in support of the calculation for each period. Neither of them vouches for the accuracy of the other. But this backwardness to enter into particulars does not hinder the Court of Directors, in

their collective capacity, from *invariably* representing the debt as being conceived and brought forth in political extravagance, as having no connexion with what they call their *trade*. It seems they cannot afford to emulate the courage of ministers, who, while they acknowledge the debt to have originated chiefly in the extraction of tribute, always speak of the revenue being mortgaged for the redemption of the whole as a matter not disputable, and, certainly, never disputed.

Mr. Smith makes revenue debtor to trade, from 1750 to 1790, nearly five millions.* During nearly the whole of this period, it is certain that, "in a commercial light, England "became annually bankrupt to Bengal to the "amount nearly of its own dealing; or, "rather, that the country suffered what was "tantamount to an *annual plunder* of its ma-"nufactures and its produce to the value of "£1,200,000;"† and we have seen that Mr. Grant admits that, up to 1793, a very large public and private tribute was drawn from Bengal, and, consequently, from India gene-

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* View of Plans, p. 326. † Burke, vol. xi. p. 57.

rally, because Bengal supplied the wants of the other presidencies.

It is worth while to observe Mr. Bruce's reception of this claim of five millions remitted to India more than received from it, so irreconcilable with his plan, which is founded on the exclusive competence of the Company to bring home the tribute, which he shows to have been at the rate of upwards of a million a year. He says, " In the actual state of the trade " and of the revenues, however, *all reasonings* " *on the subject seem unnecessary*, farther than " to fix our attention on the fact that *these* " *claims* of the proprietors" [though the balance lay the other way, according to his own showing] " *are an additional reason for* " *continuing the present union between the trade* " *and the revenues*, and for granting the Com-" pany such terms as shall enable them to " discharge the debts which they have con-" tracted IN DEFENCE OF THE INDIAN PRO-" VINCES AND OF THEIR TRADE, and to " realize the value of their stock!" If the territory does not pay its own expenses, why should the Company cling to it? If, after so many years' experience, they found themselves losers, in consequence of the " union be-

" tween trade and revenue," why should they petition for its continuance? or why should it be continued to them, as a means of reimbursing them for the expenses itself had occasioned? If the territory more than paid its expenses, the debt cannot belong to it.

This claim of revenue, being debtor to trade, crowns the climax on the subject of tribute. First, we tell India simply that we are determined to take tribute as long as she can pay it. Secondly, we say that it is unavoidable; we are urged on by fate, like predestinated criminals; but we will make compensation by duly performing the less costly parts of good government. Thirdly, we tell her that it is for her good; it is to promote her industry and opulence: if we said, (like the Hanoverian ladies of the court of George I. to appease a London mob,) " We come for all your *goods!* " the word would be better suited to the action. Fourthly, we declare that, after all, she is but an unprofitable servant, that she has received more than she has paid, and is not CREDITOR but DEBTOR.

Mr. Grant exhibits the following balances on accounts of supplies to, and receipts from, India *and China* during the several periods:

In 15 years to 1802-3, balance in favour of (or excess of receipts from) India and China, £	133,879*
In 15 years to 1802-3, do. do.	388,084†
In 10 years to 1802-3, do. do.	2,228,549*
In 8 years to 1805-6, balance against India and China....	2,226,685*
In 17 years to 1804-5, do. do.	508,961*
In 11 years to 1803-4, do. do.	3,370,748†
In 15 years to 1804, profit on trade....................	15,759,734†

The aim of these statements is to show that India has rather gained than lost by the connexion between revenue and trade; and that at all events the Company have drawn no tribute from India, whether arising from surplus revenue, or from money raised on loans. The most obvious objection to their accuracy is, that by making India and China but one party, no credit is given to the former for advances to the latter, to the amount, probably, of £400,000 a year. Such advances, in ten years, constitute at once a tribute of four millions. In 1804 and 1806, for the purpose

* Speech, July 15, 1806. † Speech, July 19, 1804.

of exonerating the Company's trade from the charge of unprofitableness, and from the burthen of the Indian debt, Mr. Grant represents India *and China* as returning *less* than they received. But, in 1801, to answer a different purpose, he reminds the proprietors, that "the advantages of a sure and great commerce, OF A LARGE TRIBUTE, *of a dominion maintained by its own resources*, have "not been staked in following uncertain theories, which could only be tried at the risk of losing what was possessed."*

In 1793, the surplus revenue (after payment of £520,000, as interest on a debt of £8,000,000) was £1,612,226. From 1793 to 1809, the amount of surplus revenue (without payment of interest) was £17,833,187; and the increase of debt was £20,905,194. So that, at the end of the above period, the surplus, after payment of fifteen years' interest on the debt of 1793, would amount to £10,033,187. With these data, let the reader determine whether the above sum of nearly

* Report of a Select Committee of Directors on the Private Trade, January 27, 1801.

twenty-one millions was borrowed for the purchase of investments, or for making good *deficient* revenues!*

It is evident that, during the above period of fifteen years, (and the case is equally strong with repect to former periods,) no part of the dividends could have been paid from profits on trade. If the dividends had always been paid from such a fund, either no debt would have existed, or, if debt had been contracted, there ought to have been some payments to the English and an increase in the rate of dividend, after payment of interest on the debt from commercial funds, and the accumulation of good assets for its discharge. If a merchant trades to a profit, the larger the capital employed the greater the amount of his profits. The 58th section of the act of the 53d Geo. III. c. 155, provides that in the event of the commercial profits being insufficient to defray the dividends, the Company may make good every such deficiency out of surplus revenue. But we see that, without any

* The reader will also judge of the accuracy of Mr. Colebrooke's assertion, already noticed, that we have ceased to draw direct tribute from India.

such clause in former acts, the Company managed to pay their dividends out of pretended profits, but really out of revenue, by means of the incorrigible confusion of their accounts. Let the reader examine the plan for separating the political and commercial accounts in the Appendix, (No. 1.) and say whether the skeins will be kept untangled, or whether commercial profit can possibly accrue under such management.

On a financial view of the above period it will be apparent, that India would have made a good bargain, if, in the year 1793, she had been permitted to ransom herself from all connexion with the Company's trade by an annual gift of half a million, over and above providing for the then debt which was theirs, not hers. Under such an arrangement the Indian debt of 1793 would have been much reduced, instead of being quadrupled. The mixture of trade and revenue, under colour of which the Company pretend that the former assists the latter, was never consented to by India. If it were possible she would avail herself of the law of England respecting "confusion of goods, when those of two "persons are so intermixed that the several "portions can no longer be distinguished."—

" If one wilfully intermixes his money, corn, " or hay, with that of another man, without " his approbation or knowledge, or casts gold " in like manner into another's melting-pot " or crucible, the civil law, though it gives " the sole property of the whole to him who " has not interfered in the mixture, yet allows " a satisfaction to the other for what he has " so improvidently lost. But our law, to " guard against fraud, allows no remedy in " such a case; but gives the entire property, " without any account, to him whose original " dominion is invaded, and endeavoured to " be rendered uncertain, without his own con- " sent."*

The drain to which the revenue and the country are subject, is the same whether the surplus revenue be employed in the purchase of investment, or in the payment of interest on debts contracted for the purchase of investment. The Company cannot receive the income of their estate and mortgage it to its utmost value at the same time. The degree in which the revenue is absorbed by the payment of interest, represents the degree in

* Blackstone, vol. ii. p. 405.

which they have exacted tribute beyond the annual ability of the country to afford it. Mr. Francis, however, prefers a strange charge of the Company having got into a bad habit of *paying for* their investments with money borrowed in India, as if, by this means, they did not get them for nothing just as much as when they bought them with surplus revenue. "Bad habits grow out of abundant means, "and are apt to continue when the means are "gone. A woful reverse has taken place "in this branch of the Company's resources. "Instead of providing their investment with "the money of India, which was equivalent "to getting it for nothing, they have for many "years *paid for it* with money borrowed "there at an exorbitant interest, and now "with specie from England." Surely Mr. Francis knew that provision for the interest and redemption of the loans was made "with "the money of India, which was equivalent "to getting them for nothing."

It is the same thing to India whether her surplus revenue be exported as tribute, or absorbed by the payment of interest on debts contracted by forestalling tribute, on the supposition that India were doomed never to have her entire revenue appropriated to her

own purposes; but if the Company had always made the clear surplus the measure of their demands, the difference would be great indeed, on the supposition that the abolition of the Company will bring with it a release from public tribute. In that case there would be the difference between entering immediately on the enjoyment of a disencumbered revenue,—and being condemned for many years to divert a large portion of it from its legitimate uses to the payment of the Company's creditors, by whom it would be immediately or ultimately transferred to England. As a question of equity, there can be no difficulty in deciding whether the Company had or have a right, as usufructuaries for twenty years, to anticipate the revenues that are to accrue for an indefinite number of years after the expiration of their term. It is true Government have uniformly sanctioned their proceedings: but, in the first place, the abstraction of tribute, and encumbrance of the revenue for that purpose, are not thereby rendered less repugnant to justice; secondly, though Government have permitted, (and they could not well quarrel with evils inseparable from a scheme of their own formation,) they have never directed and compelled that mis-

management of an extensive and complicated commercial department, fruitful in jobs and patronage, which leads the Company to repair the losses thus incurred by continual encroachments on *future* surplus revenue. If, by an unexampled victory over their nature, in the conduct of that department, they had never practically deviated from commercial principles and commercial prudence, it is to be presumed that such conduct would not have been matter of public censure.

It would give little satisfaction to be able to apportion the blame between the Company and the Board of Commissioners. *Improbus ille puer, crudelis tu quoque mater*. If Government were to authorize the Boards of Trade and of Agriculture to expend five or six millions each in commercial and agricultural speculations, and to place them under the controul of Ministers specially appointed for these duties, it would be ridiculous to ascribe the failure of such speculations to the unskilfulness of the Boards, or negligence of the Ministers, and to attempt to remedy the mischiefs that would unavoidably follow by new regulations and a change of directors. At the same time, section 107 of the act of the 33d Geo. III. c. 52, is worded with such con-

summate ambiguity that it is impossible to say whether mortgaging the revenue for the provision of investment was legal or illegal. The Directors, in their letter of September 6, 1813, (paragraph 17,) say that the act of the 33d Geo. III. directed the appropriation for the purchase of investment in each year "to be "made in a specific sum *from surplus re-"venue.*" That it did not authorize the appropriation to be made from *any other* source, namely, from money raised on loans, *in addition to* the surplus of each year. The act states, under the fourth head of the "uses "and purposes" to which the revenue shall be applied, (i. e. AFTER defraying all expenses, military, marine, civil, and commercial, and interest on debts,) "that there shall "be issued to the respective commercial "boards of the said Company, at their several "presidencies in India, in such proportions "as the Court of Directors of the said Com-"pany, *with the approbation of the Board of "Commissioners for the affairs of India*, "shall from time to time direct, a sum of "*not less than* one crore of current rupees "in every year, to be applied in the provision "of the Company's investment of goods in "India, and in remittances to China for the

" provision of investment of goods there." It must be supposed that, under some construction of this section, any deficiency of revenue to supply a sum, *indefinitely exceeding* one crore of rupees, might be made good by borrowing; for the President of the Board freely acknowledged, in almost every budget-speech, that the greater part of the investment had been provided with borrowed money; how much he never could exactly define. But while he approves of these loans with respect to the past, and disapproves of them with respect to the future, the principle of his approbation in the former case is equally applicable to the latter; and the principle of his disapprobation in the latter case is equally applicable to the former. Inasmuch as they were necessary to " encourage the industry " of the natives," they jumped very well with his humour; but as they tended to eat up the fund for public tribute, they were naught.

It appears, moreover, that Mr. Dundas always spoke rather as one having power to advise, than to check and controul; and that he reserved the strongest expression of his disapprobation for the period when his official power of advising had actually ceased. Thus, on March 12, 1799, he said: " An undue

"proportion of advantage will fall to the "home concern, because a considerable part "of the prime cost of the cargoes is paid for "in India, by the addition of the debt there. "The inconvenience produced thereby is "great, but *may not* be looked upon as last-"ing, as measures *may be* adopted to supply "from Europe the deficiency." The small "proportion of advantage" which fell to India under this arrangement is not pointed out. On March 25, 1800, what had last year been censured prospectively, is now praised retrospectively, and the prospective censure grows stronger. "The peculiar situation of "affairs rendered it, in the past case, expe-"dient, and indeed necessary; but, in future, "other modes *must be* devised. A consider-"able surplus from the revenues will again, "I trust, very soon accrue; but, in whatever "sense they may prove deficient for the pur-"chase of cargoes, a supply *must be* found, "either by bills upon the Court of Directors, "or by bullion or exports from this country." On June 12, 1801, he perseveres in justifying every yesterday, but his imperative assurance dwindles to a hope, that every to-morrow shall *not* resemble it. "My sentiments on "the propriety of furnishing investments by

"means of loans have formerly been dis-
"tinctly given: THEY ARE STILL THE SAME.
"*The measure was proper at the time, but by*
"*no means so for permanent practice;* and
"although the same measure has been pur-
"sued in the *last* year, I should HOPE the
"very considerable supplies which have now
"for several years been furnished from the
"treasury in England, and which it appears
"the intention of the Court to continue, will
"prevent the further accumulation of the
"Indian debt." During how many years Mr. Dundas might have continued to deprecate as future what he approved as past, can only be matter of conjecture; for, in his letter to the Directors, dated June 30, 1801, he takes leave of the subject, with a negation of any pledge to sanction borrowing for the purchase of investment, in terms so comprehensive, that they amount to a retraction of all he had previously declared to have been expedient and necessary. "From what I have above
"stated, it will not be understood that I mean
"to pledge myself to an opinion, that IN ANY
"CASE it is proper for the East India Com-
"pany to burthen their revenues in India by
"the contraction of debt for the purpose of
"investment. That COMMERCE is the only

"proper medium by which the excrescent "revenues of India can be conveyed to Britain, admits of no doubt; but it is by no "means so clear that creating a commercial "capital, by borrowing at high interest in "India, is an expedient measure."

The object of the above-mentioned letter is to recommend the adoption of certain measures which, by reduction of establishments and of debt, would in a few years leave two millions applicable to the provision of investment, being one-fifth of the then revenue, the same proportion which was available in 1723; and the same proportion, the abstraction of which was so strongly reprobated by the Select Committee of 1783.* To execute this plan, and "subdue their only "formidable enemy, the Indian debt," he exhorts the Directors to exert themselves "with "the same enthusiasm" with which he himself is animated. To retrace their steps, and regain the same proportion of free revenue that they possessed in 1793, would be the consummation of all imaginable prosperity; nevertheless, in his last budget-speech, he

* In their Ninth Report.

describes the *improvement* of their affairs since 1793, as being a change from "chaos" to "sunshine." No wonder that the Directors should pray (as in their third Report on the Private Trade, 1801,) that *chaos* should "come again;" that they should think the luminary whence all this sunshine proceeded was no other than their "formidable enemy," glaring on them with a broader face, from a higher elevation, and should feel less disposed to rejoice in his meridian blaze, than when he first saluted them with his oblique and powerless rays.

It was the boast of Augustus that he had found Rome a city of brick, and would leave it a city of marble. Our ambition must be supposed to be of an opposite kind with regard to India, so long as we permit the Company to scrape off and convey to England a large proportion of its revenue as if it were something superfluous and "excrescent;" and to borrow money from a country which they designate and treat, not as creditor, but debtor. "India in debt to *them!* For what? "Every debt for which an equivalent of some "kind or other is not given is on the face of "it a fraud. What is the equivalent they "have given? What are the articles of com-

" merce, or the branches of manufacture " which those gentlemen have carried hence " to enrich India? What are the sciences " they beamed out to enlighten it? What are " the arts they introduced to cheer and to " adorn it? What are the religious, what the " moral institutions they have taught among " that people as a guide to life, or as a con- " solation when life is to be no more, that " there is an eternal debt, a debt 'still pay- " 'ing, still to owe,' which must be bound on " the present guarantee in India, and entailed " on their mortgaged posterity for ever?"* These are questions that cannot be too often repeated, nor too seriously considered.

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* Burke.

CHAPTER III.

POLITICAL VIEW OF THE TERRITORIAL SYSTEM.

The first in order, as the first in importance, of all inquiries into the nature of a government must be that which examines into the sources of its security and stability. The instinct of self-preservation will naturally press this subject on the attention of all those entrusted with the administration of public affairs. When we consider, however, the relation of interests existing between the governors and the governed; when we reflect that the prosperity of the latter constitutes the glory of the former; and that, in short, it is the universal tendency of virtue to predominate, even in this world, we must allow that such an inquiry possesses, at the same time, the dignity of a sacred duty, and may well employ all the talent and wisdom that can be brought to its discussion.

However much the interest of my argument might secretly prompt me to over-rate the insecurity of our Eastern dominion, I can adduce declarations to the same effect, from unexceptionable witnesses, not only stronger than my purpose requires, but stronger than I myself can subscribe to; for, as I do not consider our past jeopardies to have been quite so imminent as they are represented by some of those witnesses, so, I have better hopes of the present firmness, and of the endurance and future fortunes of the state. That we hold India by a precarious tenure is a proposition which all, who have written on questions of Indian policy, have asserted, whether their object has been to recommend or to deprecate innovation, and one on which they have, as might be expected, built a considerable part of their respective systems. But we should hardly have anticipated that these acknowledgements of insecurity should be far more frequent and explicit from the friends of the established order of things than from their opponents; and it may seem a sufficient condemnation of the doctrines of the former party to state that they advise us not to attempt to remove, or correct, the causes of danger, to place our surest reliance on *non-interference*, and to provide for ourselves this

only consolation that, when revolution or defeat does come, we may be able to say that we did not fire the train, and that the immediate causes of the disaster were beyond our controul.

It may be proper to lay before the reader a few examples of the almost unanimous feeling on this subject. No avowal can be stronger than is contained in the following well-known passage from Mr. Hastings,* one of the most strenuous enemies of free trade and of colonization: "I much fear that it is not "understood, as it ought to be, how near the "Company's existence in India has, on many "occasions, vibrated to the edge of perdition; "and that it has been, at all times, suspended "by a thread so fine, that the touch of "chance might break it, or the breath of "opinion dissolve it; and instantaneous will "be its fall, whenever it shall happen. May "God, in his mercy, long avert it!" Mr. Charles Grant, equally zealous on the same side, says,† "A few more successful *turns* in "Benares, on the part of so inferior a chief "as Cheit Sing, would have put all Bengal in

* Review of the State of Bengal, p. 154.

† Observ. on the State of Society, &c.

" commotion." " I frankly acknowledge," said Mr. Wilberforce,* " that I have long " thought that we hold our East India posses- " sions by a very precarious tenure." " The " trunk of the tree is of prodigious dimen- " sions, and there is an exterior of gigantic " strength. It has spread its branches widely " around it, and there is an increasing abun- " dance of foliage and of fruit; but the " mighty mass rests on the ground merely by " its superincumbent weight, instead of hav- " ing shot its roots into the soil, and incorpo- " rated itself with the parent earth beneath it. " Who does not know that the first great " storm would probably lay such a giant " prostrate?" Of the tenure which Mr. Wilberforce wished to strengthen by introducing, " as the source of every other improvement," a community of sentiments on the great interests of morality and religion, his opponent, Mr. Marsh,† observed, " Of all tenures it is " the most delicate. The thread and liga- " ments, which hold it together, are so fine " and gossamery, that one incautious move-

* Speeches, June and July, 1813, in Pamphleteer, No. 5.
† Ditto, July 1, 1813, in ditto, No. 4.

"ment may snap it asunder. It is a chain "which no artificer can repair. But we hold "it on this simple condition—abstinence from "all aggression on the religions of the coun- "try." More weight, however, will be deservedly attached to the following declarations, by Sir John Malcolm. "It appears "quite impossible ever to introduce any sys- "tem of government into our possessions in "India, which will render them *secure for a* "*day*, except under the management of an "able and firm ruler," &c.—"The only safe "view that Great Britain can take of its "empire in India is to consider it (as it really "is) always in a state of danger, and to no- "minate persons to rule it, calculated from "their superior energy of character to meet "every emergency that can arise. The dan- "gers which assail our empire in India from "internal weakness, are much greater than "we can ever apprehend from external attack; "and these will always increase in an alarm- "ing degree when the administration abroad "has not the decided support of the govern- "ment at home."*

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* Sketch of the Political Hist. of India, p. 459—462.

Sir John Malcolm, however, does not content himself with representing the necessity of the unremitting exercise of the highest endowments with which rulers can be gifted, as the only condition under which we can hold our dominion for a day; he does not say, "India is as quiet as gunpowder; there-" fore, use all caution in your proceedings;" he distinctly describes the consequences of colonization as the means which are "calcu-" lated to establish our power over India on " the firmest basis."

Though none of the preceding writers have entered into an analysis of the causes of the insecurity which they lament, yet it may be said generally that they ascribe it to the amazing disproportion of our numbers, and the no less striking dissimilarity in our language, manners, customs, and religion; while the opponents of colonization maintain that an attempt to increase our numerical strength would so multiply and exasperate the occasions of reciprocal offence and resentment, that it would ultimately result in our destruction, or, if the white population should be victorious in the conflict, in the cessation of monopoly, tribute, and patronage. Accord-

ing to the view of one cohort of this party,* our aim ought to be, by the introduction and diffusion of civilization and knowledge of the arts, to reduce the sources of discord, and promote an uniformity of character between the natives and their rulers; though it is obvious, that, as our power springs from our moral superiority, while we continue to be so out-numbered, in proportion as we succeeded in our endeavours to raise the natives to a level with ourselves, we must renounce all our present advantages, than which nothing could be more opposite to the inclinations and designs of the gentleman alluded to. At the same time, if their refusal of all the means whereby such an improvement could be effected, did not suggest doubts of their sincerity, it at least guarantees us against *this* species of euthanasia. To infuse new light and energy into the minds of our subjects is not the most likely way to fortify the position of their jealous and exacting masters; nor is it less incongruous to represent the same circumstance—the diver-

* See Observations on the State of Society, &c. by C. Grant, Esq.

sity of character—as alternately the cause of the precariousness of our tenure, and of the origin and duration of a dominion which is already older than any that India has ever known; and which, far from bearing the marks of incipient decay, is even now only in the freshness of its youth.* This system cannot be relieved from these various objections, but by promoting such an increase of the white population, as shall preserve to them a salutary preponderance, accompanied by the gradual communication of every civil right which can be beneficial to the natives in their progress towards equality of civilization.

That we hold our empire by the force of *opinion*, is a phrase which is in the mouth of almost every party, but those who employ it are not so fond of explaining what they mean. It does not come very consistently from those

* It is indeed a youth which has outgrown its strength. The solidity of the bones and tone of the sinews are not in proportion to the bulk and stature: and these are deficiencies which time, if unassisted by a change of regimen, can never supply.

who consider that our greatest danger arises from the hostile prejudices engendered by the diversity of customs and of creeds; and no person has pretended that there exists anywhere an active principle of loyalty and attachment upon which we could place the slightest reliance in the hour of trial. It would, indeed, be most unreasonable to expect such a return from a people subjected to the despotism of a handful of foreigners, who exclude them from every avenue to honour, and from all but the most subordinate civil and military offices. The *opinion*, then, on which we are told that our power depends, resolves itself into that passive *fear*, or mere indifference, which is the ruling principle under all Asiatic governments. " L'on a oublié dans l'Asie," says Volney, " *ces moyens moraux*, qui, marriés par " des législateurs habiles, ont souvent élevé " de grandes puissances sur des bases d'abord " très foibles."—" Personne ne s'est avisé de " susciter cet *amour du bien public*, qui, dans " la Grèce et l'Italie, même dans la Hollande " et la Suisse, a fait lutter avec succès de " petits peuples contre de grands empires. " Emirs et pachas, tous imitent le sultan; " tous regardent leur pays comme un domaine,

"et leurs sujets comme des domestiques."* But Volney, whose picture of Asia is one of the most faithful that has ever been drawn, did not sufficiently reflect that it is precisely because the territories of Asiatic princes *are* their estates, and because their subjects *are* therefore their servants, that the feeling of patriotism or public spirit cannot possibly exist. The supposition of their dependance on, or responsibility to their subjects, for their conduct in the appropriation of their revenues, or other acts of government, is totally inconsistent with the relative situations of the parties, and with the fundamental constitution of the state. It is, therefore, with reason that Sir Henry Strachey says of the British authority in India, in opposition to the general current of authors and speakers, that "No "government ever stood more independent "of public opinion. I never knew one na-"tive who had even a remote idea of the "political state of the country. And can it "possibly, for a moment, be supposed that "the people of Bengal dream of subverting

* Voyage en Syrie et en Egypte, tom. ii. p. 251.

"the government?"* The truth of this observation is not materially affected by the subsequent extension of our power over countries peopled with a less tractable and less passive race.

A third circumstance in which the source of the precariousness of our tenure has been sought, is that to which our attention is directed by Mr. Patton, in his just analysis of the Principles of Asiatic Monarchies. He has well applied the doctrines of the great Harrington to illustrate the political condition of various countries in Asia, and examined, with chronological exactness, the origin of the feudal system in Europe: he has truly shown that the British power in India is founded on the fact, that the government is the universal or sole landlord: but he errs in supposing that this over-balance of property in favour of the ruling power has been fatally disturbed by the establishment of the *Permanent Settlement.* The change introduced by that measure may be briefly stated as follows: According to the theory of every Asiatic government, (subject to considerable modification

* Fifth Report, p. 530.

in mountainous countries, such as Cabul and Syria,) the revenue of the sovereign consists of the entire produce of the land, after deducting the expenses of cultivation and of collection. The actual cultivators are not hired servants, but petty farmers, whose payments are ascertained by leases enduring for longer or shorter terms, and on consideration of rendering which, they and their heirs hold their portions of land for ever, or, in other words, are like villeins regardant, or the *coloni* of the Roman code, attached to the soil. The officers of government, who collect the *rents*, are either agents, with fixed salaries, or farmers, who engage to pay a certain sum into the treasury, and are rewarded with all the surplus that their care or rigour can acquire. Under either system, the cultivator is protected against the exaction of more than his defined rent; so that the only advantage attending the latter system would, at first sight, seem to be the simplicity of its administration; but though, in every other branch of revenue, experience has justified the preference of agency to farming, yet so much more difficult and important are the labours of agriculture that it is prudent to encourage the husbandmen and their superintendants by making

some profit contingent on their exertions. In Bengal, under the British administration, the native collectors (Zemindars and Talookdars) had early been converted into farmers of revenue, their emoluments being supposed to average one-tenth of their collections; the periods for which they contracted had been annual, quinquennial, and decennial, till the year 1793, when the utmost value of the lands having been supposed to be sufficiently ascertained, Lord Cornwallis declared the assessment, fixed by the then existing decennial settlement, to be *perpetual.*

Of the consequences likely to result from this arrangement, Mr. Patton says: "If the "Zemindars are to be deemed the proprietors "of their Zemindarries, as the English government seems now to have established, "they will very soon of themselves make the "discovery, that the English East India "Company can have no just right to levy "from them NINE-TENTHS of the *rents* of "their *private estates.* This enormous assessment from private proprietors they will certainly regard as too high a price to be paid "for government protection; and the wealth "which would flow from a ten-fold multi- "plication of what they are at present per-

"mitted to receive, they may be led to imagine will enable them to protect themselves; especially if a few of those great proprietors of thousands of square miles of cultivated land, with innumerable inhabitants, should determine to combine together for that purpose."*—"If to elevate Zemindars to that standard, you make them lords of the property they were meant only to superintend, you will totally destroy the purposed effect of the establishment, and subvert the Indian system. What must be the consequence? The land-establishments of Europe must influence the government establishments; the stream of wealth will cease to flow into the treasury of the sovereign; rival powers will arise to combine and to restrain, or to annihilate altogether the sovereign authority."†

A very short experience sufficed to show

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* Page 190.

† Ibid. page 198, and see p. 206. To the same purpose Dr. Buchanan says, that, "although Zemindars give a security and ease in collecting the revenue, there can be little doubt that hereditary proprietors of large landed estates are a political evil in a country governed by foreigners."

that these apprehensions were entirely groundless. The office of Zemindar had long been hereditary, so that the quality of transmissibility to the posterity of the holder was not then first communicated to their lands; but, on the other hand, the condition which accompanied the formation of the permanent settlement, declaring that arrears of revenue should be recoverable by the sale of part, or of the whole of the land of the defaulter, was itself a much greater innovation than that celebrated settlement. Under its operation, the larger Zemindarries have been broken up into fragments, the old hereditary land-holders have been dispossessed and beggared, and greater changes of landed property produced than ever occurred in any other country. Before the settlement of 1793, defaulters were liable to be punished by imprisonment, and under the native governments by the severest corporal inflictions, and even by expulsion from their Zemindarries, but the Zemindarry was never transferred to strangers; so that, notwithstanding the variableness of the assessment which might be imposed on them, they were, in all respects, much more entitled to the designation of *great proprietors* during the ages which preceded the formation of the

permanent settlement than they have been since. In Mr. Patton's zeal to refute the misrepresentations on the subject of Zemindarry tenures, by which the introduction of the permanent settlement was justified, he did not consider that, with the exception of the rule for the recovery of arrears by the sale of lands, the change would be rather nominal than real, since no alteration was made in their *rate* of contribution to the state, whose means of coercion must therefore remain unimpaired. As their power would not be increased, so there was no reason why their perception of the desirableness of a "ten-fold "multiplication of what they are at present "permitted to receive" should grow more intense than it had been theretofore. No Zemindar, who had the means of resistance, ever paid his "nine-tenths" without compulsion; and their disposition to renounce "go-"vernment protection," does not depend upon whether they shall be called *proprietors* taxed at a permanent, or hereditary officers bound to make good a fluctuating assessment, but upon whether they have the means, and are permitted to maintain forts and armed retainers. The refractory Zemindars are not to be found in the old provinces, where a per-

manent settlement has been formed, but in the new, which are still subject to periodical renewals of assessment, though, according to Mr. Patton's theory, these results ought to have been reversed.

Another consequence of the permanent settlement should have counteracted, in a great degree, the apprehensions which Mr. Patton entertained from the alteration of the nature of the Zemindarry tenure. What was formerly annexed to an office, and therefore descendible *per stirpes*, became now a private estate, and subject, both by the Mahomedan and Hindoo laws of inheritance, to indefinite partition *per capita*. The tendency of such a rule of succession, by its repeated operation to immerse the Zemindarry proprietary in equal poverty, is obvious; and some gentlemen have been so struck with this evil, that they have recommended the application of a *direct* legislative remedy. Still it is undeniable, that our government is, to use the language of Harrington, "planted in the earth "of the Zemindars;" but our Sepoys "are "the dragon that lies at that root, and without "which the fruits would fall into the mouths "of the Zemindars by way of property, (as "when the knights' fees, granted first for life,

" became afterwards hereditary in Oceana,) " which would cause such a fall from mo- " narchy, that it would become, as we have " seen, the rise of popular power."

Here then lies the cause of our insecurity. What if this dragon should turn upon its keepers, and tear them to pieces! or even if it should begin to think itself not fed and esteemed in proportion to the profit derived from its services! The diversity of interests between the masters and defenders of the state, which obtains in all countries subject to absolute governments, exposes their internal order and tranquillity to the caprices of the soldiery; and their immunity from foreign conquest to the chance of one or two battles. If the danger from the latter source should be regarded as too remote and improbable to afford adequate motives to induce us to make *effectual* provision for its removal, still it should be remembered, that there would be a reciprocal tendency in the one to attract the other, and that we should be utterly defenceless against their united forces. Our power is now so extended, that any advantage gained by an enemy in the field would look like the victory of rebels, and be the signal for defection to subsidized dependants, and for

seditious thoughts and practices every where. Those whom internal jealousy had formerly divided, are now levelled and crushed by the weight of our sceptre, and therefore predisposed to make common cause against us, whenever a fit opportunity shall present itself. In short, the impossibility of foreseeing the causes, the manner, and the time, in which discontent may spring up in the minds of our native troops, affords no excuse for a supine reliance on the continuance of that providential quiet which we have hitherto enjoyed. The words of Harrington are, once more, strictly applicable to our situation. "Where-"fore, it being unavoidable in the Turkish "empire, that either the Janizaries (Sepoys), "or the Timariots (Zemindars), may do what "they list (in regard that whether of them be "able to give law to the other, must at the "same time be able to give law to the prince; "and to bring them to an equal balance were "to make a civil war, or at least to sow "the seed of it) THE NATIVE WOUND OF "MONARCHY BY ARMS REMAINS INCURED "AND INCURABLE."*

* I shall take this opportunity of replying to a charge against Harrington, which was first preferred by Hume,

The frequent and almost proverbial mutinies among Janizaries, contrasted with the

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and has never been objected to by any subsequent writer who has mentioned his name. Thus, Mr. Dugald Stewart, in his Seventh Essay, says: "A remark which Hume "has elsewhere made on the *Oceana*, appears to me so "striking and so instructive, that I shall give it a place "in this note. 'Harrington,' he observes, 'thought "himself so sure of his general principle, *that the ba-* "*lance of power depends on that of property;* that he "ventured to pronounce it impossible ever to re-establish "monarchy in England: but his book was scarcely pub- "lished when the King was restored; and we see that "monarchy has ever since subsisted on the same footing "as before. So dangerous is it for a politician to venture "to foretel the situation of public affairs a few years "hence.'—'How much nearer the truth (even in the "science of *politics)* is Bacon's principle, that *knowledge* "is power!—a principle which applies to man, not less "in his corporate than in his individual capacity; and "which may be safely trusted to as the most solid of all "foundations for our reasonings concerning the future "history of the world.'" To the same purpose, a writer in Blackwood's Magazine, for December, 1818, p. 271, says: "Sir James M'Intosh has, indeed, observed, 'I "am sensible that in the field of political prediction, "veteran sagacity has often been deceived.' *He alludes* "to the memorable example of Harrington, who pub- "lished a demonstration of the impossibility of re-esta- "blishing monarchy in England six months before the

obedience and discipline which characterize our Sepoys, may suggest that there must be

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" restoration of Charles II. But the author of the Oce-
" ana was a political fanatic, who ventured to predict an
" event, not by other events which had happened, but by
" a theoretical principle which he had formed, that 'the
" balance of power depends on that of property.' So
" unphilosophical was Harrington in his contracted view
" of human affairs, that he dropped out of his calculation
" all the stirring passions of ambition and party." Those who are unacquainted with the works of Harrington will be surprised to hear, that the assertion of Hume, Stewart, &c. *has* NO *foundation whatever*. Harrington has nowhere "pronounced," or "demonstrated the impossi-
" bility of ever re-establishing monarchy in England." On the contrary, it may be truly said, that he foresaw, and foretold the restoration of Charles II. What must have given rise to the above extraordinary perversion of Harrington's meaning, on the part of Hume, is the declaration that IF his plan of an equal commonwealth and an agrarian law (providing that £2000 a year should be the maximum of income from land that any individual could possess) *were once established*, there would be no danger of such a constitution being subverted by the introduction of monarchy, because such a change would then be contrary to the interests of all parties. So far was he from saying, that the majority of the people of England were averse to monarchy towards the end of Cromwell's usurpation, that he admits that "the people
" of England are twenty to one for monarchy;" and

an essential difference in favour of the stability of our power, arising partly from the

estimates that there are not above "fifty thousand of the "more active and knowing that drive vigorously at a "commonwealth." *

Among his "Aphorisms" are the following: "8. The "spirit of the people of England, not trusted with their "liberty, drives at the restitution of monarchy by blood "and violence. 9. The spirit of the people of England, "*trusted with their liberty*, IF THE FORM BE SUFFICIENT, "can never set up a king," [i. e. if his whole plan be adopted,] "and, if the form be insufficient, (as a parlia-"ment with a council in the intervals, or two assemblies "co-ordinate,) WILL SET UP A KING WITHOUT BLOOD "OR VIOLENCE."† "102. If the late king had freely "permitted to the people the exercise of the power inevi-"tably devolved upon them by the change of the balance, "he had not been destroyed. If either of the late single "persons had brought the people into an orderly exercise "of the power devolved upon them, he had been great. "What party soever shall hinder the people from the "exercise of the power devolved upon them, shall be cer-"tainly ruined. Who or what party soever shall intro-"duce the people into the due and orderly exercise of "the power devolved upon them, shall be forthwith "secure, and famous for ever."‡

The doctrine of Harrington, respecting the dependence of political power on the distribution and balance of pro-

* Page 562, 3. Edit. 1771. † Page 483. ‡ Page 489.

character of the latter, but chiefly from their being officered by British subjects, and from

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perty, was a noble discovery, (as his biographer observes,) which none can dispute with him, and to the completeness of which succeeding writers have added nothing. Hume says, " that it must be received with several limi-" tations ;"* but the limitations which he proceeds to describe, are distinctly unfolded by Harrington as inseparable results from his principles.

According to Mr. Stewart, there is more truth in Bacon's maxim, that *knowledge* is power, even when applied to politics. To this let Harrington himself reply. " The principles of government are, then, in the goods " of the mind, or in the goods of fortune. To the goods " of the mind answers authority; to the goods of for-" tune,—power, or empire. Wherefore LEVIATHAN, " though he be right when he says that *riches are power*, " is mistaken when he says that *prudence, or the reputa-" tion of prudence, is power*; for, the learning or pru-" dence of a man is no more POWER than the learning " or prudence of a book or author, which is, properly, " AUTHORITY. A learned writer may have authority, " though he has no power; and a foolish magistrate may " have power, though he has otherwise no esteem or " authority." † He goes on to show that no government can be good, the form of which does not tend to *unite* authority and power. Wise men are " a natural aristo-" cracy, diffused by God throughout the whole body of

* Part I. Essay 7. † Page 37.

the strict observance of every engagement contracted with them. Undoubtedly, mutinies have been of rare occurrence in our native army; but, on the other hand, they are more dangerous. The person of the Sultan, or his Vizier, is at the mercy of the Janizaries, but not the Turkish *empire*. However confident of their own strength, and however dissatisfied, the Janizaries never attempt the subversion of the national polity, nor make any demands inconsistent with its fundamental principles, or with the established constitution of their own body. They would never seek to expel the Turks from Constantinople. But if our sepoys should ever perceive *their*

" mankind to this end and purpose;" i. e. not to *force* or *draw*, by the greatness of their estates, but to *lead*, by their influence, as *auctoritate patrum*. But when mere KNOWLEDGE is " debauched by ambition, and not satis-" fied to continue the instructor, aspires to be the master," what is the consequence? " Along with its natural pro-" tectors and guardians, *knowledge* will be cast into the " mire, and trodden down under the hoofs of a swinish " multitude."

As to the writer in Blackwood's Magazine, I leave *his* fanaticism to the just censure of every admirer of one of the brightest ornaments of English literature.

strength, which has of late so much increased, is still increasing, and must, finally, hit the dullest sense, the objects they might think desirable and attainable would be, not the head of a governor or commander-in-chief, not even emancipation from the difficulties under which they labour, but the entire displacement of those foreign masters, the rigour of whose exclusive regulations time has had no power to abate. Where the separation is so abrupt and wide, no amicable compromise could be effected. Where no measures have been adopted to prepare a gradual coalition between the conquerors and the conquered, and where the former have trusted too much to the mere force of military discipline, however reinforced by the awe inspired by moral superiority, there can be no discontent in an army formed from the mass of the conquered without imminent danger of the utmost revolutionary violence.

It appears, then, that when we are said to hold India by the empire of opinion, the expression ought to be taken with almost an exclusive reference to the opinions of our native soldiers; a restriction, however, with which I have never seen it accompanied, though it might have been suggested by a well-

known passage in Hume. " The Soldan of " Egypt, or the Emperor of Rome, might " drive his harmless subjects, like brute " beasts, against their sentiments and inclina- " tions; but he must, at least, have led his " mamelukes, or prætorian bands, like men, " by their opinion." *

Of the present mode of officering our native army, it is no doubt true, that, while its efficiency as an instrument is greatly increased, its liability and power to re-act from the impulse of alienated opinion is no less diminished. But, while the exclusion of the natives from all but the very lowest ranks in the army, and a no less rigorous exclusion from offices in the civil department, prevent the existence in their persons of that measure of wealth and influence which the possession of considerable offices would confer, and which is the only species of aristocracy known in Asia, there is no resource, analogous to the distribution of British officers throughout the native battalions, for marshalling the *civil* population, which, therefore, remains an inert *mass inaccessible* to any good impulses from above,

* Part i. Essay 1.

though teeming with all the vices that are engendered by poverty, depression, and contempt. European civil servants cannot be substituted for their natural leaders in the series of gradations requisite for the due diffusion and active maintenance of civil discipline. The very multiplication of this class of Europeans serves but to insure the expulsion of natives from any sources of consideration and emolument that might have been antecedently relinquished to them.

The abject condition in which the natives are held, was brought strongly to the view of Sir H. Strachey by one of the interrogatories circulated by Lord Wellesley; viz. Whether government ought to declare itself the sole source of honour? "On whom I beg leave "to ask," says Sir Henry, "can titles be "conferred, when none are placed in a situ-"ation where it is possible to render them-"selves eminent or conspicuous? How can "their merits be known when their rulers "have no connexion with them,—when there "is no intermediate class between the sove-"reign power and the common people? "Surely it will be recollected that the dis-"tance between us and the natives is infinite. "The greatest Zemindar in this district,

" though possibly a proud man, would not " refuse, for the promotion of his interest, to " court the friendship of the lowest dependent " of an European." Here, doubtless, is as singular a question and as singular an answer as ever came within the knowledge of any man. A government doubting whether it ought to assume the prerogative of distributing honours, and finding the great mass of its subjects excluded from the possibility of earning and wearing them! Of the causes and consequences of that exclusion I have already spoken, and shall again advert to it; but it may be proper to ask, why our government should doubt the expediency of exercising a right which is necessarily inherent in every government? The reason was, that it was supposed the natives were so bigoted in their reverence for that which their ancestors had known as the fountain of honour, though it was now but a broken cistern, that they would not recognise the validity of such a power in our hands. It was imagined that they would venerate no title, nor consider any genuine, which did not *nominally* come from the Mogul; for they could not but be aware that the Mogul had no sovereign power, nor, indeed, so much personal independence as the

meanest of their fellow-subjects. And it must be conceded that these apprehensions were not altogether without foundation, since Hindoos of the highest rank have occasionally applied to our government to move the Mogul to invest them with titles or other insignia of state. This special power of conferring honours, which had survived the wreck of the Mogul's political power, seemed to resemble the spiritual power of the Pope, which pervades all Catholic countries, and is wholly independent of temporal assistance or opposition. It was the creature of opinion; but this opinion respecting the Mogul is necessarily so much affected by the possession and exercise of political power, that government must possess the means of extinguishing it. For this purpose, it would be proper to resume every attribute of sovereignty, which, without enriching him, makes us seem poor; to cease to coin money in his name; to permit neither honorary dresses nor titles to proceed from him; and, in fine, to abolish that serio-comic pantomime which, on certain days, is enacted in the palace, at Delhi, where the British resident actually performs homage to the Mogul, and such other mummery, as may be imagined, with no other effect than to excite,

in the tantalised monarch, numberless wants and pretensions which cannot be gratified. We confuse and blind him with the fumes of our incense, and then wonder that he does not see clearly the relative situation in which he stands. We must blame ourselves if he cannot always understand the drift of our communications, stuffed as they are with oriental extravagance and sounding phrases, where so much less is meant than meets the ear. His Majesty may well say to the resident,

> " So sweetly you bade me adieu,
> I thought that you bade me return."

But we are beginning to act on more rational principles, and, within these few years, several hints, both positive and negative, have been given to the Court of Delhi on the subject. Hitherto, these lessons have been short, and with long intervals; we do not seem sufficiently sensible of the inconvenience and incongruity which have been gratuitously occasioned; and, though convinced that, some day, it must be reformed altogether, we proceed very slowly and circuitously. It is really as if we had, in the Tower of London, a lineal descen-

dant of CANUTE THE GREAT, whom the constable, &c. were instructed to treat, as far as regarded words and ceremonies, and the whole code of etiquette, as if he were the reigning Prince of the House of Brunswick. Such a king would be as formidable a pretender to the crown of Great Britain as Acbar II. is to the crown of India. That crown had fallen from the head of a fugitive, and afterwards imprisoned, emperor long before it became, all soiled and battered, a trophy to the British arms.*

To return to the condition of the people. It is not denied that their debasement and wretchedness is favourable to the despotic power of the government. According to Sir

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* At one time, even LORD CLIVE thought it excellent policy that we should assume the titles of Tributaries to the Mogul, and to this Soubahdar, and to that Soubahdar. He believed in the reality and the utility of the mask. Colonel Wilks thinks it "next to impossible that such a "policy was the spontaneous growth of the great mind "of Clive."—Vol. ii. p. 56. Nevertheless, there is satisfactory evidence that it was; for Clive was not a man who would hesitate to speak his true mind to the Directors. See a Letter from him, dated January 16, 1767, in Mill, vol. ii. p. 258.

Henry Strachey, "The total want of energy "and spirit, the poverty and ignorance of the "natives, compose the strength of our go- "ment."* But what a satire on a government, that its strength should rest on such a foundation, and that its interest should be irreconcileable with the improvement of its subjects! Sir Henry, indeed, says that, as they advance in civilization, it will be necessary to exercise a stricter controul; but he neither shows how such advancement is possible, nor whence the requisite addition of power could be derived. "All appearance "of military interference in the police is, or "may be, kept out of sight. It is the prin- "ciple of ignorance, and not of fear, that, "at present, preserves us; and I should ima- "gine it will be only when European laws, "religion, and literature, come to be disse- "minated in this country, that it will be "necessary to draw the reins tighter, and to "show what we certainly, AT PRESENT, pos- "sess, power irresistible to command obe- "dience."* As Sir Henry has nowhere recommended, nor alluded to, the application

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* Fifth Report, p. 532.

of the only remedy that can victoriously cope with the numberless evils which oppress India, the encouragement of colonization, it does not altogether appear whether he considered the limited number of Europeans which are, or, under the present system, can be, temporarily resident in this country, and the nature of the avocations in which their time is employed, as (what it really is) an insuperable bar to the dissemination of European laws, religion, and literature. But, supposing the conversion in question, by whatever means effected, it is certain that our present establishments could not stand a moment before it. If it be the principle of ignorance that preserves us now, what would protect us if this mighty nation, "purging and unsealing her long-abused "sight," were at last to see, in their naked helplessness, the handful of foreigners by whom she is held in the most abject subjection? It is evident, that such a nation would not permit us to hold, much less to tighten, the reins of government; and that she could only be ruled by a power acting (in every instance) in accordance with her own wishes, expressed by organs duly constituted for that purpose.

A recurrence to the errors and corruptions of Hindooism and Mahommedanism would

be as reasonable an expedient for purifying the morals of the natives, as the re-establishment of their civil institutions would be for satisfying all the obligations which we have contracted towards improving their condition. And yet some of the ablest of our Indian administrators, who have most sensibly felt, most powerfully described, and been most eager to correct the mischiefs inherent in our present system,* have not ventured to suggest other measures than a more liberal admission of natives into offices of trust and emolument. Thus, Sir Henry Strachey, speaking of the vigorous police which the Zemindars were formerly enabled to maintain, in consequence of the civil and military power vested in their hands, says: "Any measure that has a tendency towards the restoration of this power "(though I confess I have no distinct conception of the mode in which it can be accomplished) must, I think, advance a step "towards the creation of a body of gentry, "who, though they should never be actuated "by the same motives as ourselves, nor possess any feelings in common with us, may

* Sir Henry Strachey and Mr. James Stuart.

" yet perform great services to the public. " Such a measure would, in my opinion, bring " the lower orders more distinctly under the " eye of the magistrate. It might enable us, " in some slight degree, to excite awe, to " impose restraint, to awaken national ardour, " and love for the government."* If there be no other resource than a measure, the outlines of which elude the grasp of the imagination, and whose operation would yet be so trifling, we may well conclude that it must be necessary to resort to something beyond the materials and system of things, to the contemplation and use of which Sir Henry considered himself restricted. A restoration of their former power to the Zemindars could not be effected without withdrawing both the collectors and judges from their districts, and thus reverting to those first crude arrangements, from which not only political motives, but constant experience of the venality and abuses inseparable from the exercise of power by natives,† have compelled us to recede.

* Fifth Report, p. 537.

† " Every person of any substance or character in this " country has been successively tried in the department

And if the collectors and judges are retained, then the people cannot look up to the *Zemindars* as persons entrusted by government with the means of influencing their happiness; and we cannot, through *their* medium, inspire awe, much less awaken national ardour; a sentiment, indeed, which never inhabited the breasts of their ancestors in any generation. Besides, a *gentry* is not composed of men whose only title to weight and authority in the state is derived from their offices, but of men who, from the extent of their landed possessions, are able silently to controul the government on the one hand, and the people on the other.

Intimately connected with the plan of restoring to the Zemindars much of their original authority, is that for making them responsible for the crimes and disorders committed on their lands; a favourite measure with the two opposite classes of persons: those who would arm the Zemindars with powers, the abuse of

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"of the collections. Fear, reward, severity, and indul-
"gence, have all failed, and ended in a short politic for-
"bearance, or additional acts of dishonesty and rapine."
Verelst. Anno 1768.

which would be grievous and dangerous;* and those who, by refusing to enlarge the jurisdiction and confidence at present vested in the Zemindars, would render the exaction of responsibility from them both inefficient and unjust. " I would not," says Mr. Dowdeswell, " give them a particle of power more " than they already possess with respect to " the police; but I would render them ac- " countable, under severe penalties, for the " communication of information of all heinous " offences, both to the magistrate and to the " police Darogati."† Of these two modifications of the system of attaching responsibility to the Zemindars, the former is least objectionable, being built on more liberal and consistent principles.

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* Extract from Answers to Interrogatories, by Mr. Tufton, collector of Bahar, 1801. " It would be still " more objectionable to revert to the old plan of making " the Zemindars responsible for robberies; for it would " throw all back again into that state from which the " British government has been redeeming the country, " and produce oppressions which would be endless, and " beyond controul."

† Fifth Report, p. 613. See a similar recommendation. at p. 590, by Mr. Edward Strachey.

But supposing that, without any sort of public inconvenience, we might reserve "a "considerable number of offices for natives "upon a liberal footing of confidence and "emolument,"* making some addition to the number of those who can support their families in a decent manner, and have an opportunity of acquiring some degree of personal respectability; and that from these and other improvements in the police, there should result a great diminution of such criminality as is cognizable by the law, and of general litigiousness; still there would remain the evils of a government, having no root in the affections of its subjects, cramped in its resources, by their want of skill and industry, and compelled to exercise the dangerous prerogative of despotism.

In no other way can these evils and dangers be encountered, with the least chance of radical benefit, but by the cordial encouragement of colonization. By no other means can the double objection to the employment of natives be removed; first, that they are not *morally qualified*, if government were willing;

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* Mr. James Stuart. Fifth Report, p. 576.

secondly, that if they were qualified, government *dare* not arm them with so much power and influence. From the closer intercourse, and more frequent mental collision on every subject of human interest and occupation, that would then take place between the native and creole population; and from the increased means which the latter would possess of operating directly on the moral and intellectual character of the former by the multiplication of schools and colleges; the English language, religion, laws, and manners, would become common to the two races; and not only would the native candidates for office be endued with the requisite qualifications, but the government would derive strength and consistency from laying open all offices to their ambition, and thereby interesting all, from the highest to the lowest, in its stability. When the population had become homogeneous, there would be neither excuse nor motive for recognizing any other distinctions than those which merit, or the want of it, created. And if, notwithstanding, a disposition to revolt should anywhere show itself, it could not fail to be speedily dissipated by those who could apply to the disaffected the language that Cerealis addressed to the Gauls:

"Omnia in communi sita sunt: ipsi plerum-
"que nostris exercitibus presidetis: ipsi has
"aliasque provincias regitis: nil separatum
"clausumve. Proinde pacem et urbem quam
"victores victique eodem jure obtinemus
"amate, colite."*

It is needless to pursue this subject into all its consequences and modifications that government, in all its departments, would successively assume, in conformity to the expanding capacities of its native subjects. It would be the care of each period to substitute more liberal institutions, in proportion as they should outgrow those legal restrictions with which they are now fettered; and to apply the immutable principles of justice to regulate the varying condition of their internal affairs.

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* Tacit. Hist. iv. 74.

CHAPTER IV.

STATISTICAL VIEW OF THE TERRITORIAL SYSTEM.

Where a land-tax is so divided as to affect only the farmers' profits, and not the landlords' rents, there must always remain a large amount of private income derived from land, in the hands of a powerful body of proprietors, which can only be reached by those taxes on expenditure which fall indiscriminately on all incomes. Taxes on raw produce, without disturbing the general level of profits, are diffused among the community in proportion to each person's consumption, and have no natural limit but their tendency to discourage production, a limit which would be distinctly indicated by a decrease in their productiveness. But, for a tax on rent the landlords receive no remuneration by increase of rents; and if such a tax were indefinitely aggravated, it would destroy the landed aris-

tocracy, and convert them into mere agents for collecting the land-tax, and paying it into the exchequer. That such a state of things might be produced, in England, by the boundless accumulation of national debt, Hume has endeavoured to show in his essay on public credit; but the possibility of the occurrence of "this unnatural state of society" may be more easily disputed than the probability of the subversion of the constitution, which he has described as its inevitable consequence. We cannot "suppose the land to "be taxed eighteen or nineteen shillings in "the pound," without supposing that the members of the legislature would pass an ordinance of self-condemnation. We may be sure, therefore, that neither in England nor in any part of civilized Europe, will the progress of taxation ever be able to absorb any considerable portion of the landlords' rents.

But what, in Britain, the unmitigated action of so powerful an engine as her public debt could never accomplish, is (with respect to the *rate* of the land-tax, not to its appropriation) the natural condition of India. She has never known any other. The land-tax amounts to nine-tenths of the rent, or eighteen shillings in the pound; and as the country is cultivated

by a sort of *metayers*, this constitutes a much greater proportion of the gross produce than would be implied by an equally heavy tax on rent in Britain; that is, supposing that such a tax could long continue to be levied, which it could not, without driving capital from the land, and degrading the cultivators into an inferior class.

There is no error more completely exploded than that maxim of the economists, that all taxes fall on land, and consequently that all taxes may, without injustice, be directly imposed on the land. I should, therefore, scarcely have thought it necessary to advert to the question, though suggested as it is by the practical illustration afforded by the state of Indian taxation, if that error, expelled, hunted, and chased from every other corner of Europe, had not, with so many others, taken refuge in Leadenhall-street. In a letter addressed to the Bombay government,* the Directors, after combating Mr. Rickards' denial of the ultimate incidence of all taxes on land, say: "Mr. Rickards has, therefore, " against him not only a class of the most

* Dated January 10, 1810.

"acute, and, as some people think, of the "most profound reasoners on matters of po-"litical science that ever existed, but the "practical financiers of every country in that "part of the world, upon the history and "observation of which his notions seem to be "chiefly founded." So that, on one side, we have the French economists, the native rulers of India, and the Directors; on the other, we have the present generation of political economists.* In the same letter they say, that the land-tax of England is "of the same nature "with the tax imposed under the permanent "settlement in British India." No doubt a tax of four shillings in the pound is of the same *nature* as one of eighteen shillings; and with the same truth all crimes and all punishments may be said to be of the same nature; but in all these cases it is of infinite importance, with respect to their effects and consequences, to ascertain how much the things differ in *degree*.

Different persons have differently estimated the proportions in which the gross produce of the soil is divided in India. According to

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* Ricardo, pp. 267, 8, 299—304.

Mr. Shore,* if we take it at 100 parts, the claims of government may be stated at 45; the Zemindars and under-renters may be supposed to have 15; and 40 remain with the actual cultivators. But of the 15 parts assigned to the Zemindars and under-renters, 10† must be allowed for the charges of collection and management, leaving only 5 for the clear income of the Zemindar. But these several proportions are subject to considerable local variations; and in general it may be said, that the profits accruing to those interposed between government and the cultivator are larger than those assumed in Mr. Shore's Minute. The quantity of ground occupied by each farmer or ryot, is from 6 to 24 acres, the great majority being of the smaller description, and requiring only one plough, which, with other implements and a team of oxen, costs about £6. Under these circumstances, together with the inveterate custom of borrowing for rent, seed, &c. at usurious

* Minute, December 8, 1789.

† Or 20 per cent. on the gross payments of the ryots. Colebrooke's Remarks in As. Ann. Reg. for 1802, Mis. Tr. p. 43.

interest, it will not be supposed that the farmers can earn more than a bare subsistence; and the result of Mr. Colebrooke's calculations is, that "the peasant cultivating "for half produce is not so well rewarded "for his toil as hired labourers;"* Mr. Sismondi has made the same observation with respect to the metayers in Lombardy. The tenure of the ryot is a lease in perpetuity, on condition of paying the rent in conformity with the custom of the country, or with his own particular engagement. There is everywhere a *nerikh*, or maximum, within which the law will restrain the exactions of the land lord, while it compels him to respect the title of occupancy of the ryot, so long as he satisfies the just demands of the former. What may originally have been a state of predial servitude, may now be considered a privilege, inasmuch as the peasant may freely seek to better his fortune by emigration to another province; or to a town. He no longer acknowledges a *master*, though he is seldom free from the claims of a *creditor*.

It remains to inquire what may be the rate

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* Remarks, ch. vi.

of income enjoyed by individual proprietors or Zemindars. In some parts of India this description of persons does not exist, and where they are established, since they profess to pay nine-tenths of their receipts into the collectors' treasury, it is obvious that their estates must be very extensive, in order to yield them a moderate income. It is also certain, that the Mahomedan and Hindoo laws of inheritance are continually splitting these estates into minute subdivisions, so as, in many instances, scarcely to leave tangible interests to the litigating co-sharers. They are called *co-sharers,* in consequence of a regulation of the Bengal government, (VI. of 1807,) which provides that no share of a Zemindarry shall be severed, and erected into a *separate* estate, unless it will bear an assessment of at least 500 rupees; though this is not the only cause of partnership in estates. No doubt there are in the recesses of public offices materials for forming an estimate of the number of landlords with the real amount of rents left in the hands of each; but as nothing of this kind has found its way into any Parliamentary Report, I know of no nearer approximation to truth on this subject than is contained in the following passage from the *first* edition

of Colebrooke's Remarks: "The income in-"tended to be left to proprietors of lands "assessed to the revenue, amounts to (one-"tenth, or) Rs. 26, 46, 409. Their actual "income is greater, but a considerable pro-"portion appertaining to the owners of larger "estates, the remainder, distributed amongst "more than 60,000 proprietors, does not "afford an average of 30 rupees each, which "is insufficient to maintain the family of the "poorest labourer."* The proportion of the above sum struck off as belonging to large proprietors is about 8 laks, being the income *then* possessed by the Zemindars of Rajeshahy, Wheerbhoom, Burdwan, Jessore, Nuddea, and Dinagepore, the aggregate of whose contribution to the revenue was, at the time of the formation of the permanent settlement, £1,000,000. But it is to these very proprietors, with the exception of Burdwan, that Mr. Shore refers for the verification of his assertion, that "the Zemindars are *almost universally poor*."† And since the date of the passage quoted from Mr. Colebrooke, all

* As. An. Reg. for 1802, Mis. Tr. p. 69.

† Minute, June 18, 1789. Paragraph 129.

those large estates have been greatly reduced by the attachment and sale of portions of them for the recovery of arrears of revenue.

Such is the statistical aspect of India at this day. Such it was, with very immaterial exceptions, before the formation of the permanent settlement; the cultivation of the country, though increased in extent of surface, being not at all improved in quality, and consequently the general circumstances of the people being in no respect bettered. If they are rather deteriorated, that change must be ascribed to the political causes spoken of in the two preceding chapters. It is not, therefore, my intention to consider the authors of the permanent settlement as responsible for any very important consequences, good or bad; but only to contrast the actual results with the glowing pictures of prosperity which they presented as its certain fruits, and to show that there was nothing whatever to warrant their sanguine expectations and flattering predictions. The Zemindar was still to pay nine-tenths of his rents into the exchequer; the ryot was still to be protected in the perpetuity of his tenure, and was, in fact, to be in a more peculiar, and, as far as the interests of agriculture are concerned, more important

sense than his anomalous landlord, the owner of the soil. The quantity of stock, the distribution of labour, the choice of crops, were still to be left to the resources and discretion of the ryot for ever. There was no principle in the new arrangement that was calculated to make that rank and unprofitable underwood give place to trees of majestic growth and various usefulness.

The incongruity of the tenure of the ryot with the qualities of proprietorship ascribed to the Zemindar, and the seemingly insuperable bar to all improvement, which the nature of their relation implied, are thus treated by Mr. Shore. After observing, that, without the interference of government between the Zemindar and the ryot, "the present confusion would never be adjusted," he proceeds: "This interference, though so "much modified, is in fact an invasion of "proprietary right, and an assumption of the "character of landlord, which belongs to the "Zemindar; for it is equally a contradic- "tion in terms to say, that the property in "the soil is vested in the Zemindar, and that "we have a right to regulate the terms by "which he is to let his lands to the ryots, "as it is to connect that avowal with discre-

" tionary and arbitrary terms. If the land is
" the Zemindar's, it will only be partially his
" property, whilst we prescribe the quantum
" which he is to collect, or the mode by which
" the adjustment of it is to take place be-
" tween the parties concerned.

" Much time will, I fear, elapse before we
" can establish a system perfectly consistent
" in all its parts; and before we can reduce
" the compound relation of a Zemindar to
" government, and of a ryot to a Zemindar,
" to the simple principles of landlord and
" tenant.

" The idea of the imposition of taxes by
" a landlord upon his tenant implies an in-
" consistency; for it is saying to the landlord,
" you shall not raise the rents of your
" estate."*

I have not quoted the above passage for the sake of pointing out any inconsistency in the language of Mr. Shore himself, nor of contending that, since the relation between the Zemindar and the ryot was such as he describes, the character of proprietor *of the land* must have been erroneously imputed to

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* Minute, December 21, 1789.

the former;—that point has been sufficiently argued by Mr. Patton;—but of showing that the relation in question, being preserved unmodified and unviolated, was incompatible with the advantages which were sought for in the execution of the permanent settlement; and that with the confusion of language would also be perpetuated the baneful influence of the inverted relation, by which the attributes of ownership of the soil belong to the tenant, not to the landlord. Mr. Shore says, "much "time will elapse before we can establish a "system perfectly consistent in all its parts," &c. No other writer, I believe, has considered the *permanent* settlement as an arrangement essentially imperfect, and separated by an immense interval from a just and beneficial system.* But though Mr. Shore described a better order of things, at which it would be infinitely desirable to arrive, he has

* Mr. Thackeray (in a passage about to be quoted) and Mr. Mill (Hist. vol. iii. p. 295,) enlarge on the inconsistencies noticed by Mr. Shore; but it is merely to recommend a *ryotwar* permanent settlement; (see Mill, vol. iii. p. 277;) as if the substitution of government offices in the room of the Zemindar made any essential change in the system.

no where hinted by what means, with the assistance of any imaginary lapse of time, it would be possible to approach it. He has not shown that the permanent settlement contained the germ of any improvement by the influence of which India might be, at the end of a century, better adapted for the reception of the European system of landed tenures than she was at the time of his writing; nor, if India were then capable of receiving it, that we should be disposed to bestow it. But, however Mr. Shore may have read the future history of India, it may be affirmed, that, towards the effecting of such a consummation, the lapse of time will do nothing.* We need not stand expectant, *dum defluat amnis*: if we be really willing to build the great and good work, the materials are at hand, the mode is simple, the success is certain.

Lord Cornwallis replied to the above-quoted

* Mr. Elphinstone says, (Account of Cabul, p. 176): "Ages must pass away before the slaves of India or "China could be made capable of taking a share in the "government of their country." But how many *ages*, if no attempt be ever made to render them capable?

observations as follows:* "Unless we suppose the ryots to be absolute slaves of the Zemindars, every bega of land possessed by them must have been cultivated under an express or implied agreement that a certain sum should be paid for each bega of produce and no more. Every abwab or tax imposed by the Zemindar over and above that sum, is not only a breach of that agreement, but a direct violation of the established laws of the country."—"Neither is the privilege which the ryots in many parts of Bengal enjoy, of holding possession of the spots of land which they cultivate, so long as they pay the revenue assessed upon them, *by any means incompatible with the proprietary rights of the Zemindars.* Whoever cultivates the land, the Zemindars can receive no more than the established rent, which, in most places, is fully equal to what the cultivator can afford to pay. To permit him to dispossess one cultivator for the sole purpose of giving the land to another, would be vesting him

* Minute, February 3, 1790.

" with a power to commit a wanton act of
" oppression.

" Neither is prohibiting the landholder to " impose new abwabs or taxes on *the* lands " tantamount to saying to him, *that he shall* " *not raise the rents of* HIS *estate.* The rents " of an estate are not to be raised by the " imposition of new abwabs or taxes on every " bega of land in cultivation; on the contrary, " they will in the end be lowered by such " imposition," &c. It is obvious that his Lordship's arguments by no means apply to the objections urged by Mr. Shore. Mr. Shore says that if the Zemindar is restrained from raising the rents of his estate as high as he can, he cannot justly be termed *landlord.* Lord Cornwallis replies that he ought not to be permitted to violate a right of occupancy *vested* in the ryot. The scope of Mr. Shore's observations is, that no obstacle ought to be opposed to the equitable suggestions of self-interest in the operations of industry and conduct of private affairs: the inference from Lord Cornwallis' remarks is, that the choice and employment of servants ought not to be left to the discretion of masters, but that the former ought to be armed with a tenure ren-

dering them and their heirs for ever independent of change of circumstances, and of the well or ill-advised judgement of the latter.

If Mr. Shore had more fully developed and specified the inconveniences which are implied in his Minute, perhaps the Governor-General would have found still greater difficulty in returning a satisfactory answer. Such a specification we have in the following extract from a Memoir by Mr. Thackeray.* "If "occupancy is admitted (in favour of the "ryot) it would not be in his (the Zemindar's) "power to turn out the occupants, and let "his fields to a speculative farmer, who "might, by superior skill, industry, or tools, "raise more produce: for these causes the "Zemindar must go on in the old way with "the ryots; and the improvement of the "lands now held by them *will depend upon* "*themselves, not on the Zemindar*. To reap "the full benefit of the extended estates, the "Zemindar ought, perhaps, to be a landlord "in the full extent of the term; he ought to "have power to do what he pleased unem-

* Memoir in Favour of Ryotwar Permanent Settlements, April 29, 1806. Fifth Report, p. 918.

" barrassed by any supposed rights of his " tenantry; and he ought to be an enlight- " ened, scientific, enterprising landlord, not " such as usually become the Zemindars. " *If the ryots are to have the occupancy, and* " *the Zemindar to be merely an hereditary* " *tehsildar, I do not see any scope for im-* " *provement further than what the ryots may* " *themselves execute.*"

It must, nevertheless, be admitted to have been the opinion of a great authority on all subjects connected with India, that the permanent settlement *did* tend to favour the substitution of leasehold farmers in the room of perpetual occupants. Mr. Colebrooke thus describes the change which he anticipated. " In recognizing a proprietary right " belonging to Zemindars, no more can have " been intended than to disclaim all preten- " sions on the part of the sovereign to a " property in the soil; not to abridge or " annul the rights and privileges of other " classes. But, under the acknowledgement " of it, occasion must frequently occur for " the particular vindication of every privilege " *which seems to clash with the property so* " *acknowledged to be vested in Zemindars.* " The succession of occupants will gradually

"afford to the Zemindars, as landholders, "the opportunity *of limiting the tenures:* "*leasehold farmers will succeed to privileged* "*occupants;* and the *rights* of other classes "will be likewise *abridged.* Perhaps, the "certainty of stipulated rent may, neverthe- "less, be a full compensation for the loss "of an indefeasible right of possession."* Of this progressive mutation, without reference to the mode of its accomplishment, Mr. Colebrooke seems to speak rather in a tone of regret, than as considering it to be pregnant with public utility. But with respect to the probability of its occurrence, it may be observed, in the first place, that the supposed process of gradual encroachment by the Zemindar on the rights of the ryots is exactly the reverse of that whereby copyhold estates in England, which were originally held at the will of the lord, acquired the validity and stability which they have long possessed. Indeed the relation which actually subsists between the ryot and the Zemindar corresponds essentially with that between the

* Remarks on the Husbandry, &c. chap. iv.

copyholder and the lord of the manor;* and yet, though, in England, the villeins, or occupants, by enjoying their possessions in a regular course of descent from father to son, and a long series of immemorial encroachments, acquired a title to prescribe against their lord, while the designations of the several parties continued unaltered; Mr. Colebrooke supposes, that, for the mere sake of reconciling names with things, British Judges in India will lend the sanction of law to an opposite current of encroachment against the prescription of ages; and that rights, which had sprung up and grown to maturity under the sway of a barbarous despotism, would be pruned or rooted out, while justice was dispensed from British adawluts. Secondly, in a country, like India, where the population is nearly stationary, or where its increase is sup-

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* "All the leases of this district (Rungpore) may be "said to be in perpetuity, or rather that *the occupants* "*of the soil are the* REAL PROPRIETORS, *bound to pay* "*a certain tax to Government through the* ZEMINDAR, "OR LORD OF THE MANOR."—MSS. by Dr. Francis Buchanan.

ported by bringing into cultivation land equal in fertility to that already cultivated, where neither the Zemindar (if it were his interest) nor the ryot has skill to add permanently to the productive powers of the land; and, consequently, where there is nothing to occasion a progressive enhancement of the *value* of raw produce, there is little temptation to infringe the perpetuity of a tenure for the sake or chance of a higher rent. For these reasons, which experience has hitherto in no way invalidated,* I must believe that leasehold tenures will never be introduced in the way contemplated by Mr. Colebrooke.

It is a consequence of this uniformity in the value of raw produce, that in whatever part of Asia the reign of a firm and able prince has at any time permitted the attainment of such a measure of prosperity as is

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* Extract from Answers to Interrogatories, by Mr. John Eliot, Judge of Tipperah, April, 1802. "The "*ryots* being now secured in their property, and liable to "no extortion whatever, have become rich; while the "*proprietors of the lands* evince the utmost poverty, "and cannot, in the present days, obtain the smallest "credit; and it is now no uncommon thing to see them begging charity from their former dependants."

compatible with its political and statistical condition, experience has taught him, that, without any sacrifice of present or future revenue, he might consult the ease and welfare of his subjects, and simplify the administration of his affairs, by making a *permanent settlement* of the rate of the land-tax over all his dominions.* Thus, according to Volney, "Sultan SELIM gave orders to prepare a "*defter*, or register, in which the contingent "of each village should be set down. In "short, he established the *mini* at an INVA-"RIABLE rate, and ordered that it should "neither be augmented nor diminished." In the *Ayeen Akbery*, we are informed that "COBAD (king of Persia) disapproved of this "arbitrary mode, and intended to have made "a measurement of all the arable lands in "his empire, for the purpose of ascertaining "an equitable FIXED revenue, which was pre-"vented by his death." "His son NOOR-

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* Herodotus says, that Darius Hystaspes fixed the revenue of Persia at £2,807,437; a sum which Dr. Robertson thinks too small, considering the "mines, mag-"nificence, and luxury of the East." Yet it is exactly the territorial revenue of the present day. Malcolm's Persia, vol. i. p. 266.

" SHEERVAN (under whose reign Mahomed " was born) *adopted his plan*," &c. The Emperor AKBER, with the assistance of rajah Tudon-Mull, also established one permanent rate for levying the land-tax in every province of his empire: and the Abbé Grosier seems to ascribe a similar arrangement to the Emperor Yong-Tchin, when he says that he " changed the *capitation* into a *land-tax*, in " order that the revenues of the state might " be more *fixed and certain*, and that the " collection of them might be made with " greater exactness, and in a manner less " burdensome to the people."* The author of a work on Zemindarry tenures,† speaking of the condition of *talookdars* (a superior class of ryots, paying their rents directly into the exchequer) under the native governments, says, that they were favoured individuals, " who, having obtained small territorial grants, " *the value of which being completely ascer-" tained*, were then to be rated at a FIXED " annual assessment, subject to no future " increase."

It appears, therefore, that the new principle

* Vol. i. p. 483. † Mr. James Grant.

introduced by our permanent settlement was, not the fixing an invariable rate of land-tax, but the mode of recovering arrears by attachment and sale of the defaulter's estate, and the subjection of Zemindarries to the same rule of inheritance with personal property. But it is to the *first* mentioned circumstance, almost exclusively, that the eulogists of the permanent settlement ascribe the merit of a bold innovation. Thus, Mr. Robert Grant says, "We have ventured on a yet more RADICAL INNOVATION, casually glanced at in "the course of the preceding pages."—"This "was the permanent and irrevocable settlement of the territorial revenue at a certain "valuation, moderately fixed, of the property "assessed."* It is hoped that the preceding review of the nature and effects of that measure will have shown, that there was as little ground for the following representation of the benefits with which it was supposed, by its framers, to be pregnant. In a letter to the Court of Directors, dated August 2, 1789, Lord Cornwallis says: "The humane and

* Expediency, p. 112. If this means that the assessment was fixed *below* the former average, it is a mistake.

" liberal sentiments which dictated the instruc-
" tions upon which the present plan (the
" permanent settlement) is founded, will
" prompt you to receive the highest gratifi-
" cation if my hopes of its producing *wealth*
" *and happiness* to the intelligent and indus-
" trious part of the individuals of this coun-
" try, shall be realized: and, independent of
" all other considerations, I can assure you,
" that it will be of the utmost importance
" for promoting the solid interests of the
" Company, that the principal landholders
" and traders, in the interior parts of the
" country, should be restored to such circum-
" stances as to enable them to support their
" families with decency, and to give a liberal
" education to their children, according to
" the customs of their respective casts and
" religions; *that a regular gradation of rank*
" *may be supported*, which is nowhere more
" necessary than in this country, for preserv-
" ing order in civil society." The Court of Directors, in a letter on the same subject, say:
" Had such a system been adopted twenty
" years ago, and fairly followed, it is not to
" be doubted that the produce, manufactures,
" and commerce of the country, would at this
" time have been in a more flourishing state

"than they are; and the people, sensible of "a new order of things, of privileges, and "prosperity unenjoyed before, *would have* "*risen in their character, and felt real attach-* "*ment to the government from which those* "*blessings are derived.*"*

Nearly thirty years have now elapsed since the formation of the permanent settlement in Bengal, and the promised benefits are still in the list of *desiderata*. Even if some accession of "wealth" could reasonably have been looked for, yet credit should only have been taken for the balance that would remain, after making due allowance for the exaction of tribute. But, perhaps, the advantages of a permanent settlement have never been more exaggerated than in the documents relating to its application to JAVA; and the subject will be still better understood and appreciated, if we examine these somewhat closely.

The quantity of ground occupied by each cultivator is from two acres to half an acre. Under the Dutch administration, the rent due to government from the cultivator varied according to an arbitrary and oppressive esti-

* Fifth Report, p. 727.

mate of his capacity to pay, and was partly commuted for labour on the highways and other feudal services. Under the British administration every description of feudal services was abolished, and leases for a moderate term of years, with a view to the eventual establishment of a perpetual settlement, on the principle of the *Ryotwàr* system, were granted to the actual cultivators, ascertaining their several assessments to the land-tax, according to the various degrees in which the land was calculated to reward the labour bestowed upon it, the highest rate being one-half of the estimated gross produce, the lowest one-fourth. Thus, though the cultivation was performed with the stock of the peasantry, yet their remuneration could not be said to exceed the wages of their labour; so that the entire net produce was drawn into the exchequer. The advantages derivable from the application of capital in stocking, fencing, draining, manuring, &c. and from the division and economy of labour, were, by such a system, excluded for ever. Future increase of production must be limited by the quantity of waste-land capable of tillage: nothing could be expected from the improved productiveness of that already cultivated, or from a diminution of

the expense of cultivation. Nevertheless, the remedy thus applied to Dutch rapacity is characterised as a "FUNDAMENTAL change"* and an "entire REVOLUTION;" and the various features of prosperity and civilization, which, as if by enchantment, were soon to make their appearance, are described in the following terms: "By a steady adherence to "a system which, even in its origin, was pro-"ductive of such fruits," [i. e. an increase of the surface cultivated, and a decrease of crimes,] "by continuing to the peasant the "protection of laws made for his benefit, by "allowing full scope to his industry, and "encouraging his natural propensity to accu-"mulate, agriculture in Java would soon "acquire a new character: *it would soon "become active and enterprising;* there would "soon be created a difference in farms and in "the circumstances of individuals; capital "would be fixed and augmented in the hands "of the skilful and the industrious among "the cultivators; the idle and the indifferent "would relinquish their possessions in their "favour; roads, intercourse, and markets

* Raffles' Java, vol. i. p. 153, &c.

" would be increased; *the organization of* " *society would be changed; and an improved* " *race would show themselves in some measure* " *worthy of the most fertile region of the* " *globe.*" All these wonders were to spring (whether " soon," or in a hundred years, it matters not) from a regulation assuring to the Javan metayer of an acre or two of land a bare subsistence; while the surplus produce of his labour was the property, not of individuals, but of the state!

The controversy that was maintained in the Madras Presidency, on the comparative expediency of a *Zemindarry* or a *Ryotwar* permanent settlement, gave occasion to discussions respecting the advantage of consolidating small into large farms; the advocates for the former plan insisting on the recognized superiority of large farms, while the adherents of the latter plan either disputed the alleged superiority, or more reasonably contended that the question of large or small farms was altogether irrelevant, because the size of farms in India is independent of, and uninfluenced by, the existence or non-existence of Zemindars. But though the question of large or small farms is inapplicable when the choice is between a Zemindarry and a Ryotwar set-

tlement, it is highly pertinent and material when we direct our attention to the relative merits of the statistical systems of Europe and Asia. The arguments in favour of large farms, that is as large as can be conveniently superintended by one man, may perhaps be comprehended in the observation that they imply the possession of abundance of capital and skill. Neither of these, separately, if they can exist separately, would be sufficient. Skill without capital could not stock a large farm; and capital without skill would be employed in any way rather than in carrying on the difficult operations of agriculture. Adam Smith declares that, "after what are " called the fine arts and the liberal profes- " sions, there is, perhaps, no trade which " requires so great a variety of knowledge " and experience as husbandry."* And Mr. Burke still more decidedly pronounces—" It " requires ten times more of labour, of vigi- " lance, of attention, of skill, and, let me " add, of good fortune also, to carry on the " business of a farmer with success, than " what belongs to any other trade."† So

* Book i. chap. x. † Vol. vii. p. 378.

pre-eminent are the requisites for the successful conduct of agriculture, when all the arts have been carried to perfection; not so when the poor metayer follows the routine of a thousand years. But though the advantages attending large farms, in increasing the proportion of net produce are undeniable, in India they cannot exist, because there is neither skill nor capital; and these are wanting because her population is debased by ignorance and servitude, impressed on her by the whole frame and tenour of her government.

In the size of farms or estates, while there is a maximum which it is desirable that they should not exceed, so there is a minimum beneath which the public good much more strongly demands that they should not sink. When every rood of ground maintains its owner, the land can only "just give what life "requires, and give no more;" and nature being allowed no more than is absolutely indispensable to the supply of animal wants, "man's life is cheap as beasts." There is then neither vent nor profit, and no individual possesses more than the lowest possible wages of labour. There can be no public revenue, no commerce, no trade, no market, no com-

modities, except the coarsest articles of domestic furniture. In such a state of things many days must be consumed in idleness, and much labour wasted from unskilfulness. In proportion as possessions become enlarged, the sum of idleness diminishes, and the quantity of produce increases in the ratio of the number of persons employed in raising it; the surplus maintains those who administer to the various accommodations of life; the distinction between owner and farmer is established, and rent and profit constitute a considerable portion of the aggregate income. Mr. Malthus, however, appears to have fixed the minimum at too high a point on the scale in the following passage. "If all the land in England were divided into farms of £20 a year, "we should probably be more populous than "we are at present; but as a nation we "should be extremely poor. *We should be* "*almost without disposable revenue*, and should "be under a total inability of maintaining the "same number of manufactures, or collecting "the same taxes as at present."* I apprehend this statement to be greatly exaggerated,

* Book ii. chap. vi.

and that supposing the change in question to be suddenly introduced, without prejudice to existing capital and skill, the reduction of public wealth would not be very considerable, much less would there be almost an annihilation of disposable revenue. A farm of £20 a year supposes one of at least 20 acres, and we know that many parts of Ireland and of the highlands of Scotland are divided into farms averaging less than 20 acres; and yet they yield good rents to their proprietors, and, consequently, funds for the maintenance of manufactures and the payment of taxes. Similar examples may be found all over Europe. In the north of Ireland, where the linen-weavers occupy (or at least did at the time of Arthur Young's tour) farms as small as from *four* to *ten* acres, and where, from their wretched management, the produce is not *one-tenth* of what it ought to be, the rent is, in most cases, paid wholly from the produce of their looms.

If the advocates for ryotwar settlements have contented themselves with saying, that the small size of farms in India was an evil for which the acknowledgement, or institution, of proprietary Zemindars offered no remedy, their reply to the observations of their oppo-

nents would have been *eo tenus* satisfactory. But they go much farther. They venture, in very unmeasured language, to pronounce the Indian modification of the metayer system, with leases in perpetuity, to be absolutely good, nay perfect, and such as we ought not to wish to see altered. Thus Sir Thomas Munro says, that the minute division of land in Canara "has not disabled the owners from "providing for every expense which the BEST "cultivation requires."* And in a later report he observes: "The tendency of the "Indian system of casts and laws of inhe- "ritance, always has been, and must be, "to keep land divided into small portions "among the ryots, *and to make the same* "*person labourer, farmer, and landlord.* WHY, "THEN, ATTEMPT TO SUBVERT AN ANCIENT "SYSTEM, which places the great body of the "ryots above want, renders them industrious, "frugal, and comfortable, and preserves the "simplicity of their manners, and their re- "spect for public authority? But it has "been said, that there can be no proper sub- "ordination without just gradations in society;

* Reports, November 9, 1800. Fifth Report, p. 909.

"and that Zemindars are required in Indian "society to accomplish this desirable end: "but this opinion is completely contradicted "by experience, for there is no people on "earth among whom there is greater subor-"dination than among the Hindoos who "never saw proprietary Zemindars until they "were created by the Company's govern-"ment."* The system of casts can only influence the division of lands by ensuring the operation of the laws of succession, in preventing the children of a ryot from quitting husbandry to follow any other occupation. But the restrictions of casts are not so strictly exclusive; there is a considerable latitude of employments to which the descendants of ryots may, and do, apply themselves; and succession *per capita*, though always prejudicial, prevails in other countries without inducing the consequences ascribed to it by General Munro. These circumstances, then, are neither the primary causes of the minute partition of land, nor insuperable obstacles to the introduction of a different order of tenures. But if they were, *why* NOT *attempt*

* Ibid. p. 947 Report, August 15, 1807.

to subvert a system which, by making "the "same person labourer, farmer, and land-"lord," does in fact eat up the profits of the farmer, while the land-tax absorbs the rents of the proprietor; in other words, which is incompatible with the existence of farmers and landlords properly so called, and with all the congeries of wealth, strength, and order, to which they so eminently contribute? A frugal and industrious peasantry ought to constitute but a portion, not the whole of a prosperous nation. If General Munro had correctly stated the observation respecting the importance of a gradation of ranks in society, he would have perceived that it had never been contradicted by experience. It is not merely *subordination* that is thereby ensured, (for obedience is unlimited where there is no middle class between the prince and the people,) but subordination under the protection of wise and equitable laws. "The "most stable foundation of *legal and rational* "government is a due subordination of rank "and a gradual scale of authority."*

An equally zealous, but less consistent, eulo-

* Blackstone's Commentaries, vol. iv. p. 104.

gist of the Indian territorial system is Mr. Thackeray. Speaking of Malabar, Canara, and the ceded districts, he says: "It will be "found that these provinces, when settled in "the way proposed [permanent ryotwar], will "be in that situation which the soundest "authors, the greatest political economists, "and wisest statesmen have ever thought "best suited to produce general happiness "and the greatest agricultural improvement. "They will be divided amongst a yeomanry, "a great number of small proprietors," &c. "It may be considered an UTOPIA by some; "however, I think that government can and "ought to extend this happy system to these "provinces." Such is his predilection for an equal distribution of the conveniences of life, that he seems unwilling to see a single rich man rear his head above the general level. "If one rich man engrosses many of the "good things of life, many poor must go "without them. One fat Rajah supposes "fifty-two ryots." ["Give me the spare men, "and spare me the fat men!"] "These in-"equalities are the consequence [cause] of "opulence, and are, on the whole, *evils* which "will follow of themselves, as far as the "customs of the Hindoos will allow them.

"We need not hasten them." Mr. Thackeray, however, has one Utopia for India and another for England. It is part of his Utopian system for India, "which the soundest "authors, &c. have ever thought best suited "to produce general happiness," that nine-tenths of the rents of land should be drawn into the exchequer; but he admits that a practical application of such "soundest," "wisest," doctrines to England would be the ruin of *her* kind of "happiness." She has been raised, by an opposite system, "to "the pinnacle of glory;"—but, in India, that "haughty spirit, independence, and deep "thought, which the possession of great "wealth sometimes gives, ought to be sup-"pressed. They are directly adverse to "our power and interest."—"We do not "want generals, statesmen, and legislators; "we want industrious husbandmen."* Thus, in the same report, do plain truth and over-strained sophistry meet together. Nil fuit unquam sic impar sibi. But there is a method in all this variety. When he is "Reges "atque Tetrarchas, omnia magna loquens,"

* Report, August 4, 1807. Fifth Report, pp. 984—991.

it is in his proper person, and he is perfectly serious; but when he says, " Sit mihi mensa " tripes et concha salis puri, et toga quæ de- " fendere frigus, quamvis crassa, queat," it is as the self-constituted representative of the people of India!

Though it has occurred to some gentlemen, that the indefinite partibility of Zemindarry *estates* ought to be limited by law, nobody has thought of employing the same power to increase the size of *farms;* if we except the tendency which some of the advocates for Zemindarry, in preference to Ryotwar settlements, ascribed to the system which they recommended. Mr. Cox and Mr. Tucker wished to apply the rule of primogeniture to all estates not exceeding 500 rupees of jumma; but it has never been proposed to enact a regulation for an opposite purpose to that aimed at by an Act of Henry VII. which directed that farms, consisting of 20 acres, or more, should not be consolidated, but should be kept in tillage, for the future. Adverting to the above-mentioned proposition for the partial introduction of the privilege of primogeniture, Mr. Colebrooke observes, " Very minute sub- " division of landed property is, no doubt, " inconvenient to government. But other

"means may be devised of remedying the "inconvenience without interfering with the "law of inheritance, and without excluding "co-heirs and co-partners from the enjoyment "of their several rights. Regulation VI. of "1807, does not, to my apprehension, pro-"vide the proper remedy. But the consider-"ation of this subject does not press for im-"mediate attention."* While we must concur with Mr. Colebrooke in condemning all direct legislative provisions for controuling the use and transmission of property, except in the case of intestates, we may regret that he did not throw out his own ideas as to what "other means" should be resorted to, for obviating the admitted evil.

When a land-tax is so high as in India, its rate, and the manner of levying it, having originally risen out of the fact, that the sovereign was proprietor of all the lands in his kingdom,—it is, no doubt, a very natural suggestion, that every reduction of assessment, consistent with the public safety, must be a public benefit.† But it depends on the

* Minute, June 20, 1808.

† Mr. Mill finds no difficulty in jumping to that conclu-

degree of advancement in arts and civilization to which a nation has attained, whether every remission of land-tax shall not cause a diminution in the gross, and still more in the net, amount of its annual produce. In the present condition of India, an abatement in the demands of the state would undoubtedly be followed by two consequences: first, the power of indolence would rise in proportion to the pressure of excitement which was withdrawn, and the quantity of produce would be diminished. It has been observed, even in England, "that, on the estates of landlords who "pride themselves in demanding low rents, "the most slovenly culture is observable;" and Dr. Buchanan has remarked a comparative inferiority of tillage on low-rented estates in India: secondly, a greater proportion of the produce would be consumed on the ground by idle retainers, and less appro-

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sion. "The mode of increasing the riches of the body "of the people is a discovery no less easy than sure. "*Take little from them in the way of taxes;* prevent them "from injuring one another," &c. "*Light taxes* and "*good* laws; nothing more is wanting for national and "individual prosperity all over the globe." Vol. iii. p. 357.

priated to the maintenance of productive or unproductive labourers. There would be less produce, fewer commodities, a smaller aggregate amount of profits and rent; and, therefore, abridged means of providing for public security, accommodation, and magnificence. But, as these consequences would not equally follow, if equal remissions of assessment were made on a Zemindarry and on a Ryotwar settlement, it will be proper to consider the two cases separately.

If the remission were made on a Zemindarry settlement, there would be no immediate diminution of incitement to the cultivators of the ground, because the Zemindars might continue to exact the same rents that they had previously received: but they would *not* employ the same vigilance and attention in collecting their rents that they had before exerted, when the least relaxation would have been sensibly felt, and a greater degree of negligence would have occasioned the attachment and sale of their property. When placed in a more easy and secure situation, indolence would grow upon them, and its influence would be communicated, through the intermediate links, to the ryots. But, whatever estimate we may form of the effect

thus likely to be produced, a still more important question arises, What would be the political consequences of diverting a considerable proportion of the rents of land into such a channel? Would the course of our power continue to run as smoothly as it does at present? If the consideration and influence which the Zemindars now possess were multiplied ten-fold, or even five-fold, should we be able to rule this multitudinous empire with undiminished authority? These questions answer themselves in the negative; but, since such advantages would never be gratuitously bestowed, we may be re-assured against apprehensions from extensive operations of this sort, by the general inability of the Zemindars to purchase them at a *fair price*. During the administration of Lord Wellesley, a question was circulated to the collectors as to the expediency of permitting the Zemindars to redeem part, or the whole, of the land-tax; and, as to the number of years purchase, which they would be willing to give for a remission of jumma, all the answers were of a dissuasive kind. Those who believed that the remission would be advantageous to agriculture, and that the Zemindars would give the ten years purchase, deprecated the measure as

highly impolitic and dangerous; while those who looked upon it as politically harmless, represented that it would be detrimental to agriculture by favouring the natural indolence of the people, and that the Zemindars would not give more than *two* years purchase. Thus, the highest price that, in the opinion of any of the collectors, could have been procured would yet have been inadequate; and, though quite as high, considering the usual rate of interest, as it would have been prudent for them to give, it would obviously have been a losing bargain for government to sell the land-tax at ten years purchase, while it entertained the expectation of being soon compelled to pay from sixteen to seventeen years purchase for the redemption of its funded debt.

If the remission were made on a Ryotwar settlement, it would not be purchased by the ryots, but would be granted to them on the supposition of their having been insufficiently remunerated for the expenses of production. If it did not exceed that measure, the remission would be judicious; but if it did, it would be objectionable, for the reasons already assigned. Every remission beyond that point would be a sacrifice of so much revenue, which would not be compensated by any ad-

dition of net private income, from which deductions could be made for taxes or for savings. An assessment up to that point is the only means of securing any portion of the fruits of the earth for those who do not raise them, but who devote themselves to other occupations. Mr. Malthus seems to have overlooked this consideration in the following passage: "When property is so much divided, that the rent and profit of a farm "must be combined, in order to support a "family upon it, a land-tax must necessarily "greatly impede cultivation; though it has "little or no effect of this kind when farms "are large, and let out to tenants, as is most "frequently the case in England."* Is it not evident that, in the former case, the remedy is, by retaining the tax, indirectly to force land into fewer hands, so that, after satisfying the wants of the cultivator, there shall be enough for the tax? It is admitted that, in the latter case, the tax could be paid without inconvenience; but the imposition of the tax would be the most effectual corrective of those circumstances, which would otherwise prevent

* Book ii. ch. vi.

proprietors from being able to pay it. When, as in Russia, the rent of land is drawn, in the form of a capitation-tax, from the boors who cultivate it, the proprietor needs not fear planting them too closely on his estate; it is his interest to subdivide farms so as to multiply the payers of poll-tax; and when the portion of a boor is too small, he obtains permission to emigrate to a town, in consideration of a small increase of his tax.

It is from not attending to the fact that the petty ryot's share of the crop is, and ought to be, no more than the wages of his labour, that a writer in the Edinburgh Review exclaims loudly against the rate of land-tax established by the British government in Java. "We may be quite sure that countries only of "the most singular fertility could withstand "so exorbitant, and, in Europe, so unheard-of "a demand; and we may be also certain, that, "whenever such a plan is systematically perse-"vered in, the country is doomed to irretrie-"vable poverty."* He contrasts the payments made by the *peasant* to the *proprietor* (i. e. government) in Java, with the payments made

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* No. lxii. p. 410.

by the *proprietor* to *government* in Europe. A rent of half produce (the highest in Java) is by no means unheard-of in Europe. By means of the system which the reviewer considers as so destructive, an increasing revenue, amounting to nearly a million sterling, was collected; and the consequence of any abatement of demand would have been to aggravate that indolence, which is the root of all poverty. Mr. Verelst, in speaking of under-assessed talooks, does not say that they presented an appearance of greater comfort and neatness, or that the cheerful hum of industry, plying its various tasks, was more rife; but that they "generally swarm with inhabitants," and "contain many idle and these unserviceable "hands."* The radical vice in the Javan system is not to be remedied in so summary a manner as that prescribed by the reviewer.

One of the most strenuous opponents of the rate of Indian land-tax is Mr. Rickards. To illustrate its baneful effects, he supposes that, in England, the whole amount of revenue, arising from the excise on malt, beer, and spirits, were laid immediately on barley,

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* Instructions to the Supravisors, 1769.

and then asks, " Can any man, for a moment, " suppose that this cultivation would not be " immediately and effectually checked? " Would capital be any more employed in a " line where profit was at once annihilated, or " aught but hungry necessity drive a people, " under such circumstances, to the cultivation " of their soil."* If barley-flour were not an ordinary and useful article in the food of the poor, and barley itself were only consumed in the shape of fermented or distilled liquors, it would depend on circumstances, respecting the convenience and security of its collection, whether it would or would not be expedient to lay the whole duty at once on barley; and, if no objection arose from such considerations, there can be no doubt that barley, loaded with the whole duty, would continue to be cultivated to the same extent, and with the same profit, as before.† Mr. Rickards wished to

* Essay on Taxation, September 24, 1807. Bombay Rev. Cons. July 9, 1808.

† In the reign of Charles II. the trade of tobacco-planting having been found to be sufficiently profitable, in spite of a tax of £10 per rood, power was given to the justices of peace (by 22 and 23 Car. II. c. xxvi.) to " pluck up and utterly destroy " all tobacco planted in

reduce the land-tax, and proportionally to increase other taxes, but as the first step, which he proposed should be taken, was not the abandonment of a portion of the revenue, but the nominal transference of the tax from the land to the houses, it does not appear how that change of words could have tended to the attainment of his object. However erroneous his principles, such a practical conclusion was at least nugatory and harmless.

So long as the Asiatic territorial system shall be permitted to reign without qualification, it is not by the abstaining from levying revenue, but by its just disbursement and wise appropriation, that a government will best consult the good of its subjects, and give the surest proof of its regard for their welfare. It is more immediately and visibly the interest and duty of an Asiatic government to execute many works that in Europe are properly left to the prudence and zeal of private persons. The care and expense of constructing roads, bridges, tanks, dams, &c. naturally devolve

England and Ireland. In the reign of Queen Elizabeth, the culture of saffron might have borne a heavy tax, since the produce of an acre was usually worth £20.

on government, where there are neither rich proprietors, nor farmers, nor public spirit, nor the habit of co-operating for the execution of a common benefit. Here, when it was impossible to err on the side of profusion, a reference to what has been said on the subject of tribute will show to what extent we have been deficient, especially during the forty years subsequent to the acquisition of the Dewannee.* There is scarcely an Asiatic state, whose exertions in this department have not left ours far behind; whereas, with our

* "Universal poverty prevents the undertaking (of "roads, &c.) from motives of public spirit. And "*nothing* is applied to such works from the revenue "levied by the state. Remains of stupendous cause- "ways, ruins of bridges, and of magnificent stairs on the "banks of rivers, not replaced by similar undertakings "of a modern date, suggest melancholy reflections on the "decline of the country." Colebrooke's Remarks. Mr. O. N. White, in a Minute, dated March 25, 1793, speaking of the construction of tanks, &c. says: "If such "works (of which there is not, I believe, a single in- "stance since the establishment of the Company's admi- "nistration on the coast) had been executed in the "Circars previous to the late famine, a great part of the "inhabitants, who have perished within the last three "years, might without doubt have been preserved."

superior means and science we ought to have eclipsed their greatest achievements.*

But the utmost that even a British govern-

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* See Sir J. Malcolm's Account of Munificence of Shah Abbas. Hist. of Persia, vol. i. p. 552. See descriptions of covered bazars, with arched roofs. *Ibid.* vol. ii. p. 522, and Elphinstone's Cabul, pp. 424, 432-4. Of the little tributary state of Mysore, Sir John Malcolm says: "Its canals, public roads, and bridges, already surpass "those of any province in India; and will (if the same "active spirit of improvement continue) soon rival those "of the most civilized parts of Europe." Sketch of Pol. Hist. p. 380.

The famous suppressed despatch of April 3, 1805, contains the *groans* of the Directors over the money expended in building the magnificent government-house at Calcutta. They remind the Governor-General that, in their letter of August 28, 1801, they had limited the disbursements for buildings, and for the purchase of lands for that purpose, in the *public* and *judicial* departments, to the sum of ONE *lack* of rupees per annum. The re-opening one of Shah Jehan's canals of irrigation, drawn from the Jumna above Delhi, is one of the most considerable things the British government has done. This work was completed in May, 1820, at an expense of £24,000; but the profit is so great and certain, that, during the seventeen years that we have possessed that territory, individuals would have cut or re-opened many canals. So far back as 1806, two gentlemen were willing to undertake this very canal on their private account.

ment could have effected in improving and adorning the face of the country, sinks into insignificance, when compared with what would follow from the free introduction of European enterprize, and the diffusion of arts and knowledge among the people. We may estimate, with some degree of precision, the difference, in point of wealth, between Britain and India, if we attend to the following particulars. Bengal is about the same size as Great Britain, and each contains about 30,000,000 of cultivated acres. The revenue collected in Bengal is less than £3,500,000; in Britain it is more than £50,000,000. In Bengal the value of the gross produce of the land is little more than £1 an acre, and the expense of cultivation, from the waste of labour and inefficiency of implements, averages three-fourths of the gross produce: in Britain it is £5 an acre, and the expense of cultivation less than one-third of the gross produce.* So that though the gross produce of

* In Mr. Shore's Minute of June 18, 1789, he calculated the gross produce of Bengal at about £8,500,000; assuming the land-tax and the intermediate profits between government and the ryots, to be a moiety of the gross produce; and adding the estimated produce of the

Britain exceeds that of Bengal only five-fold, its net produce exceeds that of the latter twelve-fold. But the agricultural produce of Bengal constitutes nearly the *whole* of its annual creation of property: in Britain it forms but one *half* of the aggregate gross revenue.

In Bengal four-fifths of the population, or 24 millions, are agriculturists; of the remaining 6 millions, the greater part are artizans, whose earnings are a mere subsistence, that is, do no more than defray the expense of production; a very few are rich bankers and merchants; the rest are petty shopkeepers, servants, &c. In Britain only one-third of the population are agriculturists; more than

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laheraj or rent-free lands. But he did not make sufficient allowance for the real expenses of cultivation. Mr. Colebrooke's data justify his calculation, that the gross produce amounts to £32,000,000. In 1813, when prices were at their highest, the total produce of the soil of Great Britain was estimated at £160,000,000, of which only £40,000,000 were absorbed by the expense of production. Dr. Colquhoun estimated the annual produce of the agricultural industry of Great Britain and Ireland at £216,817,624; and of all other kinds of industry, including remittances from colonies, (exclusive of the East Indies,) at £213,703,748: total £430,521,372.

that proportion are employed in manufactures, in which large capitals are invested; and the rest of the productive labourers are engaged, under the agency of extensive capitals, in mines, shipping, fisheries, banking, &c. In Bengal, a gross produce of £32,000,000, divided by 24 millions, gives £1 : 7 : 0 for each individual: in Britain, a gross produce of £150,000,000, divided by 4 millions, gives £37 : 10 : 0 for each individual; and £430,000,000, divided by 17 millions, gives £25 : 5 : 10 for each individual. In the West Indies, the yearly value of the produce exported, exclusive of what is consumed by the inhabitants themselves, is £13 : 18 : 6 per head, for man, woman, and child, black and white.

Though the revenue of an Asiatic prince absorbs a much larger *proportion* of the rents and profits of his subjects, it is, we see, greatly inferior in absolute amount to that of an European sovereign. Some writers, however, mistaking a heavy *rate* for a large amount of taxation, have imagined that the income of Asiatic sovereigns exceeds that of European governments. Thus Mr. Orme says: "The king, by being proprietor of the lands, "sells to his subjects their subsistence, in-

" stead of receiving their supplies from them. " *Hence a resource exceeding that of all the " taxes, imposts, and customs of other govern- " ments;* but still a resource incapable of " producing gold and silver without the assist- " ance of commerce."* And Sir Thomas Roe ascribes the supposed immensity of the Mogul emperor's revenue to the very circumstance which impoverished his people, and consequently himself. " In revenue he doubt- " less exceeds either Turk or Persian, or any " Eastern prince. The sums I dare not name, " but the reason: ALL THE LAND IS HIS, NO " MAN ELSE HAS A FOOT."† Montesquieu has committed a mistake not less palpable, though of an opposite kind; and because the absolute amount of the revenues of despotic sovereigns is small, he affirms that the *rate* of public impositions on their subjects is low, and that, by an invariable law of nature, light taxes are some compensation for the miseries of servitude.‡

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* Hist. Fragm. p. 414.

† As. An. Reg. for 1802, Mis. Tr. p. 24.

‡ Esprit des Loix, l. xiii. c. 12. See also Gibbon's History, vol. iii. p. 82, octavo.

But dry statistical facts fail to convey so lively an impression of the superior wealth, comfort, splendour, order, and beauty of European life, as when the graphic pen of a traveller contrasts the external appearances of the most prominent objects in both countries: and as I know no writer who has done this with so much truth and spirit as Bernier, making allowance for the glimmerings of chivalry that still lingered on the face of Europe, I need not apologise for the length of the following extracts from an old translation of his *Letter to the Lord Colbert.*

"It is not there that the kings find for "their service, princes, lords, gentlemen, sons "of rich and good families, officers, citizens, "merchants, and even tradesmen, well born, "well educated, and well instructed; men of "courage that have a true affection and "respect for their king, that often live a great "while at the court, and in the army at their "own expenses, entertaining themselves with "good hopes, and content with the favour-"able aspect of the prince; and who upon "occasion fight manfully, covetous to uphold "the honour of their ancestors and family. "Those kings, I say, never see about them "but men of nothing, slaves, ignorants,

" brutes, and such courtezans as are raised
" from the dust to dignities, and that, for
" want of good education and instruction,
" almost always retain somewhat of their
" offspring, of the temper of beggars enriched,
" proud, insufferable, heartless, insensible of
" honour, disingenuous, and void of affection
" and regard for the honour of their king and
" country." * * *

" Far be it, therefore, that our monarchs of
" Europe should thus be proprietors of all
" the lands which their subjects possess.
" Their kingdoms would be very far from
" being so well cultivated and peopled, so
" well built, so rich, so polite, and flourishing,
" as we see them. Our kings are otherwise
" rich and powerful; and we must avow that
" they are much better and more royally
" served. There would soon be kings of
" deserts and solitudes, of beggars and bar-
" barians, such as those are whom I have
" been representing, who, because they will
" have all, at last lose all, and who, because
" they will make themselves too rich, at
" length find themselves without riches; or
" at least very far from that which they covet
" after, out of their blind ambition and
" passion of being more absolute than the

" laws of God and nature do permit. For
" where would be those princes, those pre-
" lates, those nobles, those rich citizens, and
" those famous artizans, those towns of
" *Paris*, *Lyons*, *Thoulouse*, *Rouen*, *London*,
" and so many others? Where would be that
" infinite number of boroughs and villages,
" all those fair country houses, and fields and
" hillocks tilled and maintained? And where
" would, consequently, be all those vast
" revenues drawn thence, which at last enrich
" the subjects and the sovereign both? We
" should find the great cities and the great
" boroughs rendered *uninhabitable* because of
" the ill air, and to fall to ruin without any
" body's taking care of repairing them; the
" hillocks abandoned, and the fields over-
" spread with the bushes, or filled with pes-
" tilential marshes, as hath been already inti-
" mated.

" A word to our dear and experienced
" travellers: they would not find those fair
" conveniences of travelling; they would be
" obliged to carry all things with them like
" *Bohemians*; and all those good inns, for
" example, that are found between *Paris* and
" *Lyons*, would be like ten or twelve wretched
" *Karavanserrahs*, that is, great barns raised

" and paved, such as our *Pont-Neuf* is,
" where hundreds of men are found pel-mel
" together with their horses, mules, and
" camels, where one is stifled with heat in
" summer, and starved of cold in winter, if
" it were not for the breathing of those ani-
" mals that warm the place a little."

For all the statistical evils which we have been reviewing, as well as for all the political, there is but one safe and effectual remedy,—colonization. Others are either nugatory or pernicious. It remains to inquire what specific measures it would be necessary to adopt in order to introduce and promote colonization; how we ought to prepare the soil in which we would plant our colonists. It must evidently be by reversing those legislative restrictions which at present not only prohibit Europeans from being proprietors of land, but withhold all temptation to evade the prohibition.

All legal obstacles being supposed to be removed, the simplest operation that would follow would be the sale of waste lands, by government and by private persons, to Europeans, without the reservation or future imposition of any tax on rent. It would not be easy to reckon the advantages which these transactions would immediately produce. The

demand for labourers would occasion a desirable rise of wages among the poorest class of the community. The rise would not affect those ryots who are attached to their own hereditary farms, or (as they may with, perhaps, equal propriety be termed) estates; but the benefit being less extended would be more sensibly felt; and the increasing improvement in the condition of labourers, as compared with that of ryots, would facilitate the conversion of ryots into labourers; a conversiōn which it would be the principal object of the proposed measures ultimately to effect wherever the range of their influence extended. How different this first consequence from those which were formerly inevitable, when fresh tracts of territory were subjected to the action of British capital in the *West* Indies! Each undertaking would also be a school of agriculture, a focus whence instruction would be disseminated more effectually than from the experimental farms projected by Lord Wellesley,* without occasioning any expense

* The Directors put their *veto* on this alarming project of experimental farms. In May, 1820, Dr. Carey published a prospectus of an agricultural and horticultural society; the business to be conducted by a president, two

to government; but being, on the contrary, the germs of an infinite augmentation of its resources. The means of transport, by land and water, would be improved, so as greatly to reduce the expense of conveyance to remote markets; while the increase of Europeans and the diffusion of a taste for the productions of Europe among the natives, would continually extend the export trade from Britain, the limitation of which used to be an argument with the Company against throwing open the trade, and still is with West India proprietors, against an equalisation of duties on the sugars of both hemispheres.

When the land to be purchased by an European had been already in a state of cultivation, the operation would be somewhat complex. For, after he had paid its price to the Zemindar, and redeemed the land-tax from government, (say at sixteen years

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vice-presidents, a committee, &c. &c. Though the Doctor may be serious, yet nothing can look more like a piece of most *trenchant* irony. What is the proposition of the benevolent enthusiast? "Go to, let us form an AGRI-"CULTURAL society!" in a country where an European agriculturist would be dragged from the plough, and transported as a criminal!

purchase,) it would still be necessary that he should purchase the interests which the ryots on his estate held in the portions which they occupied, so that nothing should stand between him and the use of the soil. The nature of these bargains would vary according to circumstances, and the compensation in each case would depend on a comparative estimate of what the respective parties were about to surrender on the one hand, and to acquire on the other. Wherever the situation of the ryot was superior, in point of earnings, to that of a hired labourer, the interest he would have to dispose of would be more tangible and susceptible of estimation; but even in those innumerable cases where it was worse, he would yet have to exchange the certainty of a subsistence, however scanty and wretched, for the fluctuating demand of the market of labour. As the superfluity of hands was drawn off from the old lands, their services would be required on the new, and in other operations connected with the preparation and circulation of an increasing quantity of commodities: and as these transactions would be contemporaneous, the balance would still be in favour of the *demand* for labour, so as to keep the reward allotted to it per-

manently above the former average. During the progress of this change there would be a gradual tendency to fix in the mind of the labourer a higher standard of physical comforts than he or his ancestors had been accustomed to; and population would at last so adjust itself as to enable him to command all the conveniences that philanthropy could wish to see him in the enjoyment of.

After some forty or fifty thousand European heads of families had established themselves as agriculturists, merchants, and tradesmen, in the territories subject to the Bengal presidency, and a like proportion in the other presidencies, it would be time to permit the natives to redeem their land-tax, and the rights of occupancy of their ryots, so as ultimately and universally to effect a *really* radical change in the Indian system of landed tenure. An increasing proportion of natives, especially of those born since the transition was in progress, would then be qualified, by emulating their British or creole brethren, to avail themselves of the new advantages opened to them by a strong and liberal government, and to cast off the slough of Indian habits and prejudices. It would then also be time to make the English language the

medium of all public business, and to extend to native Christians eligibility to the highest civil and military offices; at the same time that the unconverted might be admitted into many from which they are now excluded.

At an early period of the new era it would be expedient to reform the government, by substituting for the present council, at each of the presidencies, two legislative bodies, on the model of those of Jamaica: but from electors and elected the qualification to be required ought not to be genealogical, that is, ought not to refer to shades of complexion, but to property and religion. When circumstances rendered such a change practicable, the upper house would be composed of peers and prelates. As soon as the materials for such a fabric existed, its construction would be rendered imperative by a regard for the strength of government and the welfare of the people.

When a considerable body of European skill and capital had thus been rooted and naturalised in India, some few things which are now carried thither from Britain would be manufactured in the country; but the main trade between India and Britain would for ever consist in exchanging the productions

of a tropical soil for the productions and manufactures of a temperate climate. It, therefore, highly concerns the interests of both countries that a reasonable scale of duties on exports and imports should be established: and, as the West India planters are the only class of persons throughout the whole empire who oppose such a procedure, (the hostility of the Directors scarcely venturing to take such a step,) it is necessary to examine what has been urged, by one of their ablest advocates, to induce England to pass a perpetual self-denying ordinance, by prohibiting the cultivation of the resources of India, and repelling the tide of Indian commerce from her shores.

After giving a comparative table of the East Indian and West Indian trade with Britain, showing that the value of the latter exceeds that of the former, Bryan Edwards observes: "But the great difference arises "from the circumstance that the trade to the "West Indies is carried on with *our own* "colonial possessions, which the settlements "in the East never were, *nor ever can be* "*considered*." Enough has been said to show, that *this* plea for exclusive preference of the West Indies has no foundation. Let us next

listen to the following: "Those plantations "which have hitherto proved more than "adequate to our wants; which, from prox- "imity and insular situation, are easily de- "fended; which enrich our manufactures, "encourage our fisheries, and return *all* their "acquirements into the bosom of their alien- "ated parent, are, it seems, to be neg- "lected, and the national encouragement "must be diverted to distant *independent* "countries, whose inhabitants purchase but "few of our commodities, and consume none "of our fish, but take bullion instead of "them; who rather send manufactures to "our markets than receive them from us; "and whose exports may be checked and "controuled by a thousand accidents which, "at this distance, can neither be obviated "nor foreseen. In short, by recommending "the settlement of sugar plantations beyond "the Cape of Good Hope, this project main- "tains that it is wise to remove encourage- "ment from proximate and dependent colo- "nies to countries which, being placed be- "yond the reach of civil regulations from "hence, can be governed only by the sword, "and which, at no very remote period, *may*

"*regain their independence;* when, however, "it will be too late to resort back again to "our ruined and deserted colonies in the "West Indies."*

1. The sugar, &c. of the West Indies, at a moderate price, could never prove "more "than adequate to the wants" of the British and foreign consumers. 2. Those plantations have generally been deemed "the most vul-"nerable part of the British empire;" and in the American war, "all our eleven islands, "except Barbadoes, Jamaica, and Antigua, "fell a comparatively easy prey to the "enemy."† It is not, however, denied that, by improving the condition of the slaves, by giving them some portion of privilege and property to fight for, the islands *might be* "easily defended." 3. The West Indian planters are not *all* non-residents: but whatever may be the gain to Britain from trade, and from remittances to non-residents, it would be the necessary result of the measures deprecated by Mr. Edwards, to open more

* Hist. of West Indies, book vi. chap. v.

† Dickson's Mitigation, &c. p. 364.

abundant sources of similar acquisitions. The more he succeeds in teaching others to value these advantages, the more he counteracts his own purpose, which is, to dissuade Britain from using the only means that can enable her to draw fresh accessions of wealth from her eastern possessions. 4. When Mr. Edwards says that these possessions are independent and, in the very next sentence, that they may one day regain their independence; that they are governed by the sword, and yet beyond the reach of civil regulations; we see how an acute and vigorous mind may be perplexed under the weight of a bad cause.

It must, no doubt, be conceded that the interests of the West Indian planters would, in some degree, suffer from the encouragement of rival productions in the East Indies; and that it might be necessary to withdraw part of the capital now invested in the former. But is not every class of the community,—are not landlords, farmers, manufacturers,—subject to losses by sudden falls of prices, and changes in the channels of trade? And is it, on such occasions, thought reasonable to protect or indemnify the sufferers, by grant-

ing them a qualified monopoly, to the permanent injury of the great body of consumers? On the occasion in question, the change would not be sudden but very gradual; and the advocates for the East Indies would not object to any equitable mitigation; such as the abolition of that most unjust monopoly possessed by the London sugar-refiners, and the removal of the restrictions imposed by the navigation laws, on their intercourse with America.

It is not, however, to be supposed that the West Indian planters can by any means be reconciled to an infringement of *their* monopoly. They have occasionally remonstrated against the conquest, or amicable acquisition of new islands; and, after the cession of the Spanish part of St. Domingo to France, Mr. Edwards augured equal disaster from the *success*, as from the failure, of the French to reduce the revolted negroes. "Whether we consider the possession by "an active and industrious people, of so "vast a field for enterprise and improvement "on the one hand, OR the triumph of suc-"cessful revolt and savage anarchy on the "other, it appears to me that *the future fate*

" *and profitable existence of the British ter-*
" *ritories in this part of the world are involved*
" *in the issue.*"* We need not, therefore, very severely tax our sympathy for men who will be satisfied with no other security for their own interests, than the condemnation of every other part of the tropical world to sterility.

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* Hist. of St. Domingo, chap. xi.

CHAPTER V.

ON THE COLONIZATION OF INDIA.

In treating of the evils to be remedied by colonization, and of the manner in which it might be introduced and promoted, much of what might be said on the advantages to be derived from it to both countries has necessarily been anticipated. It has been shown that no material improvement can be expected from legislative arrangements operating upon, and with, the existing materials, from cutting and shuffling the same pack. When a nation has reached a certain stage of civilization, and her further progress is checked, or wholly prevented, by injurious and oppressive laws, the repeal of those laws is all that is required to enable her to assume the rank and station for which she was designed by nature. This observation is particularly applicable to the history of Ireland. But a nation in an infe-

rior stage of civilization, and there retained chiefly by the nature of its tenures in landed property, cannot be raised from its depression by merely removing obstructions to the action of its own latent energies. During centuries, it has "settled on its lees,"* and, in order to change its "scent," it must be effectually dashed, and brewed, and stummed, by the admixture of a more precious vintage. Such a nation is that of India; but the portion of British subjects resident in India is obviously too small to be used as a corrective. They are said, by an ingenious writer, to be "*small, indeed, in* "*comparative number*, but of inestimable value "in respect of their attainments." † Now, if their number be too few, the *value* of their attainments," however admirable in themselves, will be small, indeed, when considered as an instrument for diffusing "light" through "these vast empires." Whatever be the "virtues of a medicine, it is useless if the dose be too small. The British in India are "like a handful of salt thrown into a "pond;" and, therefore, the effect of their

* Jeremiah, ch. xlviii. v. 11.

† Sumner's Records of the Creation, vol. ii. p. 186.

presence, in benefiting the natives, has hitherto been little perceptible.

The advantages of colonization suggest themselves so readily to the mind, that it would, perhaps, be fair to throw the burden of proof on its opponents; and, as the friends of Company-government rest more of the strength of their cause on the solidity of their objections to colonization, than on all other grounds put together, they may be supposed to have spared no labour in fashioning them.

It is objected, then, that colonization has never, under any circumstances, taken place without dispossessing the original inhabitants of a part, or of the whole, of their territory; that these consequences have not been accidental, but unavoidable; and that they are necessarily implied in the transaction. "The "occupants of no country, not even the hunt-"ers of a forest, can easily afford room to "new settlers; and when they are either com-"pelled or persuaded to admit a foreign co-"lony, the truth is, that they are, to a certain "extent, *displaced*, that is, they are divested "of a part of the soil which, previously, sup-"plied them with subsistence."* Every coun-

* Grant's Expediency, p. 199.

try, he says, being peopled up to its actual resources, is *full;* and he compares the process of colonizing India to pouring mercury into a vessel full of water.* If this theory were well founded, how should we justify the ways of Providence in providing, by the principle of population, not merely for the replenishment of the whole earth, but for the transference of the arts and improvements of one people to another less removed from barbarism? Instead of finding in it a new argument for the divine benevolence, it would be a stumbling-block in the way of natural religion. Under that supposition, vice and misery would be interposed between man and the attainment of those objects for which he was undoubtedly designed; and a violation of justice would be a necessary preliminary to the achievement of the greatest good. But the theory is founded on a total misapprehension of the progress of society. When a people of hunters emigrates and settles in a new country, which is already occupied by hunters, they must either expel or exterminate the former inhabitants. The same may be said if

* Ibid. p. 198, 209.

one pastoral people subdues another, and appropriates their land, with its flocks and and herds, to themselves. Nearly the same may be said of the super-induction of one semi-agricultural people on another; and, accordingly, history is full of expulsions and exterminations thus occasioned. But when a people colonizes in a country occupied by another less advanced in arts and improvements, they "make room" for themselves, not by displacing the indigenous inhabitants, but by the creation of new resources, by applying more skill and labour to the cultivation of the soil, and to every other means of sustenance and convenience. Such an operation does not resemble the pouring of mercury into a vessel full of water; but may rather be compared to the sending an additional number of cattle to graze in a field, which had previously been made to bear a luxuriant crop of herbage.

Nor does this operation necessarily suppose any of those "silent and successive *assumptions*" into which Mr. Grant says it is, for the most part, resolvable. There is no step in the progress of the colonists, from the moment of their first intercourse with the old inhabitants, which may not have been made, not only with the strictest observance of the

rights of the latter, but to their infinite benefit and improvement. Instead of being "displaced," they may be enabled to increase their numbers a *thousand* fold, and to procure access to enjoyments hitherto unknown to them. These advantages, it is conceivable, may be acquired during a period unstained by a single act of violence or fraud; but they would not be too dearly purchased at the price of "a series of civilizing conquests."

Mr. Grant, however, maintains, that a civilized people cannot settle, even on "a barbarous region, scantily interspersed with savages, who hunt over it for their subsistence," without the latter becoming "an easy *prey to encroachment*." In considering this to be a case of usurpation, he differs from every writer on the principles of law and government. One cannot, indeed, speak, without a solecism, of encroaching on those who, neither by occupancy, nor by labour, had acquired any title to the lands which they traversed in the chase, and to any spot of which their "*right* of possession continued for the same time only that the *act* of possession lasted;"* nor

* Blackstone, book ii. ch. i.

of divesting men of a part of their sustenance by means which "do not lessen, but increase, "the common stock of mankind."* The term usurpers would rather be applicable to those who, claiming an exemption from labour, and to "walk with beast, joint-te-"nants of the shade," should pretend to exclude from their forests men who were willing to perform the conditions annexed to the acquisition of every human blessing.

It is not till after having thus endeavoured to show that colonization, under any circumstances, is pregnant with injustice, that Mr. Grant propounds the question, *Is, then, the colonization of India an evil?* And, though he had previously exerted himself, through several pages, to secure an answer in the affirmative, he resumes the topic of "encroach-"ment," and "extrusion," as the inevitable consequences of colonization. Thrice he slays the slain. He can imagine no other road to prosperity but the oblique and treacherous one of dishonesty. He allows no check from self-interest, from conscience, from law; but

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* Locke on Gov. b. ii. ch. v. § 37. See also Vattel, b. i. § 81 § 209.

fabricates a monster of colonial wickedness, unredeemed by a single virtue. For some time, the public welfare grows out of the energy of private vices. "The more the "resources of the country fall into their "hands, the better will they be qualified to "to win what they have not yet appropriated. "The advantage already achieved, like strong "positions gained in a hostile country, will "assist their further advancement."* At last, however, they are overtaken by a tremendous revulsion, which "sweeps away at once our "dominion and our crimes." The additional resources, with which they had thought still more to strengthen their hands, and the new positions which they had secured, now stand them in no stead; and those who had yielded to the youthful impetuosity of the colony are suddenly enabled to over-master the mature vigour of its manhood. But, before we inquire further into the probability of such a catastrophe, or of the provocation assigned as its cause, it will be proper to consider his argument from the encroachment effected by our *present* establishment in India.

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* Expediency, p. 222.

" The truth is, that a certain proportion of " the natives has already been supplanted; " otherwise, the British establishment, now " systematically existent in the country, could " have found no place."* And, therefore, he argues that the degree in which the natives would be supplanted by colonization would be so much the greater, as the number of supplanters would be so much more numerous. But, as there is no analogy between the two cases, we may grant the premises, and yet safely deny the conclusion. Because the present establishment, which is avowedly *not* colonial, has supplanted a portion of the natives, it by no means follows that a colonial one would be attended with the same consequences. The present establishment, assuredly, is one of " conquerors who," as Mr. Grant says of the early settlers from the north-west, " cleaved out to themselves a dwelling-place " by the sharpness of their swords;" who neither toil nor spin, and yet are arrayed in all the gorgeousness of the East; and who not only supplant individuals, but deprive *India* of the fruits of her proper labour. But colo-

* Expediency, p. 210.

nists would come with silver and gold, where-with to purchase every acquisition that they made, and, instead of impoverishing the country, like the present temporary residents, who transfer the hoarded savings of their salaries to Britain, would enrich it by applying to its improvement and embellishment all the earnings of their own skill and industry. Even the Mogul conquerors of India are said, by Burke, to have very soon abated of their ferocity, and to have given nature fair play, not because they pursued *our* policy in shutting the door against "a pacific influx of "adventurers," (which "destroys India,") but "*because they made the conquered country* "*their own; and rose or fell with the rise or* "*fall of the territory they lived on.*"* But the atonement that so rude a people thus made for the mischiefs of their invasion could not be compared with the benefits that Britons would impart to India, when they became its denizens.

Suppose a civilized people were to take possession of a country occupied by hunters, but without any design of colonizing, and

* Works, vol. iv. p. 38.

that, without traffic, without introducing pasturage or agriculture, they should maintain themselves by exacting from the natives a portion of all that they gained in hunting; such an establishment would, in principle, exactly correspond with that which Mr. Grant maintains the expediency of continuing in India; and every argument that has been reciprocated, respecting the latter case, might, *mutatis mutandis*, be applied to the former.

Since Mr. Grant admits no other mode of colonization but through "the progressive "extrusion of the natives from their here-"ditary possessions," it is not surprising that he should compliment exclusive companies on their antipathy to every thing savouring of colonization. To prevent colonization is, thus, but another expression for preventing the extrusion of the natives, and "protecting them "from the most abominable injustice!" Nor need we wonder at the avidity with which he seizes on a passage in the Wealth of Nations, in which, he thinks, this compliment is "obvi-"ously implied," inasmuch as Dr. Smith makes it matter of crimination against exclusive companies, that they have prevented the *displacing* of the natives. But it is passing strange, that Mr. Grant should believe that

any such censure is conveyed in the following words: "In Africa and the East Indies, "therefore, it was more difficult to displace "the natives, and to extend the European "plantations over the greater part of the "lands of the original inhabitants. The ge- "nius of exclusive companies, BESIDES, is "unfavourable, it has already been observed, "to the growth of new colonies, and has, "probably, been the *principal* cause of the "little progress which they have made in "the East Indies."* Upon this Mr. Grant observes, "IF colonization supposes the dis- "placing of the natives, and if exclusive "companies be reprehensible, as the principal "obstacle to colonization, it follows, that "they are reprehensible, as the principal ob- "stacle to the displacing of the natives." Now it is abundantly manifest that Dr. Smith here speaks of the obstacle presented by the genius of exclusive companies as being not only greater in degree, but perfectly distinct in kind from that which consisted in the difficulty of displacing the original inhabitants. No other meaning can be consistently extract-

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* Vol. ii. p. 474.

ed from his words than that, if those countries had not been subjected to "the government "of an exclusive company of merchants," which "is, perhaps, the worst of all govern- "ments for any country whatever,"* the colonies planted in them would have made considerable progress without displacing the natives; but that, as those countries were cursed with such governments, the progress of colonies in them must have been extremely slow and languid, even if there had been no inhabitants to displace; while, on the other hand, such governments occasionally open huge gaps in the original population of a country, without planting their countrymen in the room of those whom they displaced. These sentiments are dispersed over every part of the Wealth of Nations; its great author seems to have cherished them in his heart's core. Can we then suppose him capable of falling into so gross an inconsistency as that imputed to him by Mr. Grant?

If Dr. Smith had intended to express what Mr. Grant thinks is "obviously implied" in the above-quoted passage, he must have used

* Vol. ii. p. 367.

some such words as the following, instead of those in the second sentence: "especially as "they had the happiness of being protected "by the genius of exclusive companies, "which, it has been already observed, is "more liberal and paternal than that of other "governments;" or, "and this difficulty "chiefly consisted in surmounting the barriers "raised by the genius of exclusive compa-"nies' against all encroachments on the rights "of those who have the good fortune to live "under their protection." No doubt there are errors in Adam Smith, and on points of fundamental importance, as Ricardo, the second founder of the science, has shown; but to suppose that he could bless those whom he avowedly intended to curse,—that compliments could be involved in passages stamped with his note of reprobation,—is to suppose that Locke should blunder into Platonism, or that Galileo might, unwittingly, have stumbled on an admission of the immobility of the earth.

Mr. Grant does not scruple to apply the compliment, which he has thus attempted to extort from Dr. Smith, specifically to the *Dutch* East India Company, because Dr. Smith says that the advantages of the situa-

tion of their settlements at the Cape and at Batavia had "enabled them to surmount *all* "the obstacles which the oppressive genius of "an exclusive company may have occasionally "opposed to their growth." Without stopping to inquire how far Dr. Smith was mistaken, in point of fact, as to the prosperity of those settlements, we are here only concerned with the bearing of the passage on the conduct of the natives. According to Mr. Grant, it is *implied*, that the oppression was *inclusively exercised* ON *the Europeans, and* IN FAVOUR of the natives. Implied by Dr. Smith, who reprobated the cruelty with which this company had reduced the population of the Moluccas to the number which was sufficient to answer their own selfish purposes! And we learn, from Sir S. Raffles, that, by similar acts of oppression, they had reduced the population of Java, in some provinces, to one-tenth of what it had been in 1750; and that they "viewed their Javan subjects with less regard "or consideration than a West-Indian planter "formerly viewed the gang upon his estate." * We see, therefore, that the most rigorous pre-

* Raffles' Java, vol. i. p. 64, 65, 151.

cautions against colonization may co-exist with the utmost oppression of the natives of a foreign possession. It is, indeed, obvious that the condition of the latter must be preferable when they have to deal with individuals who are amenable to justice, than when left to the mercy of a power which is necessarily both judge and party.

The next branch of the subject, that Mr. Grant examines, is, what treatment the natives would experience, at the hands of the colonists, after the colony had been fully established. He decides, that it would be so oppressive and vexatious as, ultimately, to goad the sufferers into successful rebellion; and the ground of this opinion is, that the abuse of their superiority, on the part of the Europeans, which is now effectually restrained by the pure administration of justice in the Supreme Courts of Judicature, at the Presidencies, and by the reflection of public opinion from England to India, would rage uncontrolled, when *an* INDO-BRITISH PUBLIC (which has yet no existence) should have created an unjust standard of opinion, with respect to the reciprocal duties of the two orders of society, whose influence would penetrate into the very tribunal of justice, from which the in-

jured native, who had sufficient courage to urge his way to its bar, would be dismissed without redress. The only other alternative he thinks scarcely less to be deprecated: namely, the progressive advancement of the colony, until it acquired the means and the inclination to struggle for emancipation. Certainly, the probability of the former alternative is very "nearly connected" with Mr. Grant's previous discussion respecting the manner in which the colony might be expected to grow up; for, the tendency to perpetrate those encroachments, on which he has insisted, must, after all, be measured by the soundness of the speculations on which we are about to enter; and whatever may be deficient in the vindication of my countrymen, which has been already offered, I may now hope to supply.

The qualifications with which I would admit his fundamental proposition, respecting the *inferiority* of the native character, relate rather to the kind than to the degree assigned to it by Mr. Grant. I agree with him, that, in point of civilization, they are far below the least improved of the central European nations: but it does not follow that, in personal

intercourse with Europeans, they are so wholly without means of self-protection as he supposes. *Dente lupus, cornu taurus, petit.* What they want in extent and justness of views, may be more than compensated by a familiarity with arts to which their adversary cannot stoop, or from which he would shrink with abhorrence. They know every resource to which he is limited by principle, by habit, and by a regard for reputation; but he cannot know all the devices which an exemption from the restraints of truth permits them to practise.* If we except the cases of wanton violence from European soldiers, and the occasional slight annoyances from the petulance of young men from England, it may be truly said that the natives are exposed to no injuries but from one another; and that their own vices

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* "With us they argue upon our principles; in "their conduct, they assume their own," &c. *Mr. Shore's Minute, June* 18, 1789. "An Englishman will "ever be found unfit to follow the subtle native through "all his arts." *Verelst.* "As often as Europeans are "careless or credulous in their transactions with the Ben-"galees, they find that they have fallen into the hands of "harpies." C. Grant's Obs. on the State of Society, &c.

are the only obstacle to the pure administration of justice, to the impartial punishment of the guilty, and deliverance of the innocent. The latter, who happen to be accused, are in a worse predicament in India than in any other country subject to well-ordered government; and the tedious and unequal war which they sometimes wage with perjury and forgery, while their beleaguering enemies hold the public opinion suspended on the issue, is one of the most painful subjects of contemplation which can be presented to the mind. All these evils,—the insolence of the raw European, the insidious treachery of the native, the numerous points of repulsion in their respective habits and tempers,—colonization would tend continually to reduce to their minimum, by purifying and strengthening the character of the one, and evaporating the prejudices of the other.

There is, however, one point of inferiority which Mr. Grant has greatly exaggerated,—the physical weakness, effeminacy, and cowardice, which he imputes to the Hindoos. The description, which Orme applies to the whole race south of Lahore, must be restricted, almost exclusively to the Bengalees. The "Hindoos," generally, are *not* "meek

"and cowardly to excess."* Surely, a glance at the achievements of our native armies, (in which are ten Hindoos for one Mahomedan,) a momentary recollection of the many testimonies to their bravery and intrepidity, under the severest trials, ought to have saved Mr. Grant from hazarding so untenable an assertion. Whatever constitutional debility and pusillanimity there is among many casts of Hindoos, is not the effect of climate, but of that system of superstitious thraldom, from which colonization only can relieve them. When the barriers of cast shall have been thrown down, a vast proportion of the numerical strength of India will cease to be held of no account; it will all become available for her protection against foreign aggression and domestic tyranny. Government will be able to wield a more powerful instrument; but, to prevent recoils, it will be more disposed to respect the rights of the governed. The friends of the Company pursue different courses in treating this part of the subject. Some admit, or contend, that the above-mentioned emancipation would result from colonization, for the purpose

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* Expediency, p. 245.

of alarming us with this lamentable consequence, that the administration of Indian affairs would slip out of the Company's hands.* Mr.

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* "The institution of casts," says one of these, "con-
" stitutes a source of security to the permanence of our
" East Indian government, hitherto unparalleled in the
" history of the world; and, as there is no great proba-
" bility that mankind will ever again be edified by a simi-
" lar phenomenon, *it is rather a pity, that we should be in*
" *any particular hurry to adopt measures, which might*
" *prematurely destroy it.* Here the maxim, so frequently
" in the mouths of politicians, 'divide and govern,'
" pervades, in a practical shape, and stands consecrated
" by the hand of Time itself. Nor could there be a state
" of things BETTER CALCULATED TO INSURE THE HAP-
" PINESS OF A PEOPLE, *when, as in this instance, the*
" *views of their governors are invariably directed by a*
" *liberal, enlightened, and humane, policy.*" A View of the Consequences of Laying Open the Trade to India in Private Ships, &c. by Charles Grant, M.D. in the Pamphleteer, vol. i. The Italian proverb says, Make yourselves sheep, and the wolves will eat you: but, according to the above prescription, it would be the interest of every people to make themselves sheep, provided they could induce the genius of exclusive companies to take them under its "liberal, enlightened, and humane, pro-
" tection." The advantages of the institution of casts, in
" compressing the restlessness of ambition, and impa-
" tience of subjection," are insisted on by Mr. Marsh, in his Speech against the Introduction of Christianity, July 1, 1813.

Grant, on the contrary, keeps the abolition of casts out of sight, for the purpose of retaining undiminished that moral and physical superiority on the part of the Europeans, on the alleged abuse of which his whole argument rests.

It is said that colonization would create an Indo-British public, whose moral feelings would be so much debased, that their indifference to the sufferings of the natives would only differ in degree from that bigotted insensibility which obtains in the West Indies, and especially at Barbadoes, with respect to those of the negroes: and that the want of this local public is the "principal key to the phenomenon" of the wisdom and delicacy with which the British residents exercise the invidious authority entrusted to them; and of "their virtues always rising to the British "level." This theory is sufficiently flattering to national vanity, but, fortunately, it is utterly unfounded; it is belied by all experience and history. I say *fortunately*, because the theory would teach us that virtue is peculiar to certain climates, especially to those whose inhabitants had once been painted savages, that it could not be naturalized, and that it could not propagate itself in a foreign soil, but must be suc-

cessively renewed by slips from the parent stock. "It may easily be observed," says Hume, "that though free governments have "been commonly the most happy for those "who partake of their freedom; yet are they "the most ruinous and oppressive to their "provinces."* And this oppression can be warded off by no other means but precisely those which, according to Mr. Grant, are most calculated to produce it, viz. colonization. It is not till the posterity of the emigrants from a free and happy country have raised the colony somewhat to a level in point of power with the metropolitan state, that they become sensible of any sort of level in the streams of imperial bounty. Until that time they see plainly, and feel sensibly, that the mother country has, as Mr. Thackeray recommends, one Utopia for herself and another for exportation to the colonies. The chains with which Ireland was so long bound were not untwisted by the writhing of the native Irish, nor by the generosity of England, but broken by the strength of the colonists. "The British parliament, in a former session,

* Essays, part i. essay iii.

" frightened into a limited concession by the
" menaces of Ireland, frightened out of it by
" the menaces of England, were now fright-
" ened back again, and made an universal
" surrender of all that had been thought the
" peculiar, reserved, uncommunicable rights
" of England."*

Enough has been said to show that in the worst times the Irish shared more largely in the rights of England than the natives of India

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* Burke's Works, vol. iii. p. 368. See also vol. vi. p. 338. " In England, the double name of the complain-
" ants, *Irish* and *Papists*, (it would be hard to say which
" singly was most odious,) shut up the hearts of every one
" against them."—" However, as the English in Ireland
" began to be domiciliated, they began also to recollect
" that they had a country. The *English interest*, at first
" by faint and almost insensible degrees, but at length
" openly and avowedly, became an *independent* IRISH
" *interest;* full as independent as it could ever have been
" if it had continued in the persons of the native Irish;
" and it was managed with more skill and more con-
" sistency than probably it would have been in theirs.
" With their views the Anglo-Irish changed their maxims
" —it was necessary to demonstrate to the whole people,
" that there was something, at least, of a common inter-
" est, combined with the independency, which was to
" become the object of common exertions."

have hitherto done. It is true they are not all, at present, communicable, but with the gift of colonization they might be made so. And yet so satisfied have the English been with the level to which they have permitted their virtues to rise in India, that they have repeatedly described a government which monopolized the trade of its subjects, exhausted them by exactions of tribute, and proscribed them *en masse* from all but the lowest offices in its service, as one calculated to ensure to them the greatest measure of happiness.*

But though it will hardly be denied, that,

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* As an instance, take the following sentence in a speech of Lord Castlereagh's, March 22, 1813. "The "Company have raised a mighty empire, and they "have governed it in the manner best calculated to pro- "mote the general interests of *the state,* and to produce "and support the happiness of the extensive population "entrusted to their care." These words, said Mr. Randle Jackson, "*ought to be written in letters of gold, as* "*a justification to all posterity,*" &c. Speech, March 24, 1813. Will posterity look no further than that golden legend? Will it satisfy INDIA and the friends to INDIA? But the flights of Mr. *Mill,* as an eulogist of the Company, leave all others far behind. See his History, vol. iii. p. 373, 550.

to the English colonists, after they ceased to consider themselves a mere *garrison*, the Irish owe every thing from the lowest mechanical convenience to the highest moral blessing; it may be said, that a necessary condition to those beneficial consequences was that, as in this case, the two orders should become firmly incorporated: but that where such coalition cannot be expected, as in the West and East Indies, the inferior class will experience the most generous treatment from the governing body, when the latter are too few to constitute a local public, and are but a detachment from the British population, the vacancies in which are renewed by successive draughts from the main body. And, in support of this opinion, an appeal may be made to all that has been written in England against the slave trade, and in favour of mitigation of slavery. Now the assertion deduced from this view of Mr. Grant's theory is not less repugnant to experience than those to which the preceding observations apply. For, however heterogeneous a people may be, it is natural that there should be more sympathy between those who grow up together from generation to generation, and participating more or less in a common interest than between strangers; and,

accordingly, we find that the degree of humanity displayed by the British on Creole residents, observes a proportion the reverse of what is required by Mr. Grant's theory, (and which, be it remembered, is the key to his whole line of defence,) being *greatest* in those whose want of intercourse and remoteness of connexion with Britain, have given to their virtues a peculiar level as well as raciness; and *least* in those whose virtues, from the lateness of their emigration, retain, most tenaciously, like the "fountain Arethuse," the flavour of their distant source. Nor let this be supposed to derogate any thing from the glory of Britain, or to imply any unwillingness to do her reverence as the queen of civilized nations. It only imports that it is one thing to be a member of an equal commonwealth and another to be armed with power among those with whom we acknowledge no consonance of tastes and prejudices.

Thus, says Bryan Edwards, "generosity "towards each other, and a high degree of "compassion and kindness towards their "inferiors and dependants, distinguish the "*Creoles* in a very honourable manner."*

* West Indies, book iv. ch. i.

And, says Mr. Ramsay, "Adventurers from "Europe are universally more cruel and "morose towards the slaves than the *Creoles* "or native West Indians."* Barbadoes, which is consistently singled out for its pre-eminence in rigour and bigotry, is in truth pre-eminent, and for the very causes which he assigns for opposite qualities. "The great "mass of the Barbadian slaves have been "born in the colony, for about ten genera-"tions; and the proportion of whites is far "greater than in Jamaica or any other British, "or probably European, colony. From "these and other causes elsewhere stated, "and which, as the general effect has never "been questioned, need not be here repeated, "*the slaves are, in general, better treated in* "*Barbadoes than in any other of our sugar* "*colonies.*"† The Barbadoes planters and merchants were also the first public body in the West Indies "to admit the abolition "of the slave trade to be a measure founded

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* Essay on the Treatment and Conversion of the Slaves, &c.

† Dickson's Mitigation of Slavery, p. 359. See, also, pp. 575, 439, 440.

"on the general principles of humanity, and "therefore not to be shaken by considerations "of less importance."* In Bermuda, the existence of the same causes, in a still greater degree, has occasioned a still better treatment of the slaves. "It is generally acknow-"ledged that the Bermudians are even better "masters than the comparatively humane "planters of Barbadoes, whose laws they "have adopted and *improved.* These old "colonies having been for a long period fully "peopled, about ten generations of native "whites and blacks have grown up together, "in a degree of forbearance in the whites "and submission in the blacks, unknown in "the later settlements, where time has not yet "smoothed down, in some degree, the aspe-"rities which necessarily grow out of the in-"compatible interests and conflicting passions "of owner and slave."†

Among all the laws affecting the slaves, none are productive of so much wretchedness and mortality as those which make them chattels, and liable to be sold in satisfaction

* Resolutions, passed August 26, 1811. Ibid. p. 512.

† Ibid. p. 336.

of all debts, both of simple contract and specialty. The cruelty of these laws, under the operation of which, says Mr. Long,* "it "is inconceivable what numbers have pe-"rished," was execrated by West Indian planters at a time when it was upheld and confirmed by British acts of parliament. (5 Geo. II. c. 7. and 13 Geo. III. c. 14.) It originated, indeed, in the desire of the first adventurers, who had no intention of becoming permanent colonists, to realize their property as soon as they could in England or North America, at whatever expense of suffering to the slaves, or to the general prosperity of the islands.† The act of 5 Geo. II. was "procured by and passed for the benefit of "British creditors: and I blush to add," says Mr. Edwards, "that its motive and origin "have sanctified the measure, even in the "opinion of men who are among the loudest "of the declaimers against slavery and the "slave trade. Thus the odious severity of "the Roman law, which declared sentient "beings to be *inter res*, is revived and per-

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* Vol. ii. p. 436. † Dickson, p. 31—43, 57, 58.

" petuated in a country that pretends to " Christianity! In a few years a good negro " gets comfortably established; has built " himself a house, obtained a wife, and " begins to see a young family rising about " him. His provision-ground, the creation " of his own industry, and the staff of his " existence, affords him not only support, " but the means also of adding something " to the mere necessaries of life. In this " situation he is seized by the sheriff's officer, " forcibly separated from his wife and chil- " dren, dragged to public auction, purchased " by a stranger, and perhaps sent to terminate " his miserable existence in the mines of " Mexico, excluded for ever from the light " of heaven; and all this without any crime " or demerit on his part, real or pretended. " He is punished because his master is unfor- " tunate. I do not believe that any case of " force or fraud in Africa can be productive " of greater misery than this."* In June, 1797, Mr. Edwards, as a member of the House of Commons, procured the repeal of so

* Book iv. ch. v. and Dickson, pp. 208, 452.

much of the 5 Geo. II. c. 7, as relates to negroes in his Majesty's plantations. The planters must now, therefore, exclusively bear the odium of not passing a law for attaching the slaves to the land. It is for them to explain and to justify the postponement of a measure which their own statements render every friend of humanity impatient to see adopted.

As a last effort to sustain the superiority of the British public, in point of regard for justice and benevolence, over that of the West Indies, it will be said that the British Parliament abolished the slave trade contrary to the wishes of a majority of the planters. But how was it abolished? The English who were *interested* in the traffic, whose principles had never been corrupted by the contagion of tropical profligacy, who were living at home in the midst of the abolitionists, and breathing the same moral atmosphere,—did *they* concur in the abolition? Did Liverpool and Bristol petition for it? Did they submit to it without the greatest dissatisfaction and the loudest complaints? No! Those who were interested in the trade, even remotely, whether in a pecuniary or political point of view, resisted to the last, and though conquered were

never convinced. The truth is, that after that great crime had been permitted to run its course, during nearly two hundred years, the increased humanity of the age would no longer tolerate it, and it was suppressed, as it were, by acclamation. But this improvement is not confined to Britain; it is felt in the West and in the East, and we trust will expand its benign influence over every region of the globe.

What is the cause of that refined sense of humanity, the praise of which every Briton justly claims for his country? It is not owing to any combination of red and white in the complexion, nor is it because there

—— "lawns extend that scorn Arcadian pride,
"And brighter streams than famed Hydaspes glide."

It is FREEDOM that gives the mind to thrill with sympathy, to teem with invention, to labour with ceaseless activity. But freedom already flourishes in the West Indies, and may be planted in the East under the fairest auspices. If we will believe one who threw a prophetic glance into futurity, whatever men are, morally or intellectually, they are so, not from soil, or climate, or tincture of the epi-

dermis, but from instruction, *non solum, non cœlum, non corpora, sed artes præstant.**

If, then, we pursue the opposite analogy resorted to by Mr. Grant, and reason from what have been the effects of long association between the two classes of European and African descent in the oldest colonies in the West Indies, to what *would be* the effects of similar circumstances in the East Indies, we are irresistibly led to an opposite conclusion from what he has drawn. And though, in this latter case, arguments arising from the general principles of human nature have not received the same extent of practical confirmation, yet the *tendencies* of those principles under actual operation are so distinctly pronounced, that the result is as satisfactory as if we could appeal to the experience of ten generations. Wherever the European inhabitants are more thickly congregated, as at the three seats of government; wherever individuals have habituated themselves to much intercourse with the natives, and having survived their originalities of family and friendship and contracted new ones, have ceased

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* Bacon, Nov. Org. tit. i. aph. 120.

to contemplate Britain as the vista of their earthly pilgrimage; in short, whenever there is an approximation to that state of things which colonization would exhibit, there we find the Europeans animated with the most kindly feelings towards the natives, most ably and actively co-operating for their improvement, and reaping the most ample returns of confidence and attachment. Thus, at Calcutta, there are Bible societies, school societies, and a school-book society, (exclusive of the Baptist mission establishments for the same purposes); and in the principal school society and school-book society we see Europeans and natives acting together as members of the same committees, and joint-secretaries, giving to each other "the right hand "of fellowship," and thereby justifying a belief that the two orders will hereafter make nearer and nearer approaches to mutual understanding, respect, and regard. Several Hindoos are also associated with Europeans as partners in their private mercantile establishments, and are thus enabled to invest their funds in undertakings which natives alone could neither have originated nor supported. These men speak and write English correctly, and their sons promise to surpass

them, being taught English, Latin, and other parts of a liberal education.

The school societies and similar institutions are, however, more important and more deserving of attention, as indications of the temper that prevails, than for the visible good that they produce. While the opportunities of benefitting by the example, and of following in the track of Europeans, are so few, as under the present restrictive system they must be, out of the thousands educated few can be expected to ascend to any notable distinction in private life, (for the avenues to public service are shut against them, whatever their qualifications might be); the greater part must subside into the ignorant mass from which they were a moment elevated. The experiment can never be said to have been fairly tried until, in consequence of a great change of circumstances, the youth shall find that, on leaving school, he has only stepped into a larger school, yielding not less efficient assistance to his future progress, and abounding in more powerful incitements to exertion. "It "is not *houses* will serve, but *cities of cor*-"*rection*."* These considerations are not

* Anatomy of Melancholy, vol. i. p. 82.

sufficiently adverted to by some who contemplate the operations of the societies with a feeling of disappointment, nor by others who treat them with levity and disdain, at the same time that they are ready to bear their part of the expenses incurred. Ultimately, I doubt not, all obstacles will be removed; but our more immediate object is to show, that, wherever the signs of colonization are most apparent, *there* is also a disposition to succour and raise the natives, not to depress them.*

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* The duty of endeavouring to diffuse Christianity in our colonies is admirably enforced by the great author of the *Analogy*, in his sermon on Matt. xxiv. 14. "It being "an indispensable law of the Gospel, that Christians "should unite in religious communities, and these being "intended for repositories of the oracles of God, for "standing memorials of religion to unthinking men, and "for the propagation of it in the world; Christianity is "very particularly to be considered as a trust, deposited "with us in behalf of others, in behalf of mankind, as "well as for our own instruction. No one has a right "to be called a Christian who doth not do somewhat in "his station towards the discharge of this trust, who "doth not, for instance, assist in keeping up the pro-"fession of Christianity where he lives."—"But the "bare establishment of Christianity in any place, even "the external form and profession of it, is a very im-

The Saugor island society presents another example of Europeans and natives uniting

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" portant and valuable effect. It is a serious call to " men to attend to the natural and the revealed doctrine " of religion. It is a standing publication of the Gospel, " and renders it a witness to them; and by this means the " purposes of Providence are carrying on, with regard to " remote ages, as well as to the present." The blessings, temporal as well as spiritual, which will follow from the subversion of Hindooism, are innumerable. One half of the species will receive a new life. The wife will then be able to eat with her husband, which now she is not permitted to do. It may be observed that Christians are the only people that use *tables;* and I am fully sensible of the truth of the following sentence in Sir F. M. Eden's *State of the Poor:* " Here, where the practice is so " common, that not only the lowest peasant eats his meal " at a table, but also has his table covered with a table- " cloth, it may not, perhaps, be so readily perceived, as " it is by those who have been witnesses of a contrary " practice, that the sitting together at a table is, perhaps, " one of the strongest characteristics of civilization and " refinement." Vol. i. p. 524. Hence, he says, the expressiveness of the phrase *à mensa et thoro,* which occurs in the articles of separation between man and wife.

But there is one curse that we may instantly remove from Hindoo women, that of being offered up as sacrifices to the Moloch of their dark and bloody superstition on the funeral piles of their deceased husbands, after having had their minds poisoned, bewildered, and frighted from

their counsels and efforts to promote a common object. This island, containing about

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their natural propriety, by *false** comments on their own false scripture. That this abomination might long ago have been suppressed, without the slightest difficulty, is the opinion of the generality of British residents, and of the most respectable natives, among whom I may name Ram Mohun Roy: but the permission actually operates as an encouragement, by giving currency to the fashion, the prevalence of which is far from being co-extensive with Hindooism. Indeed the experiment, as to the want of danger in interposing, has occasionally been tried by the zeal of individuals, who, sometimes by persuasion, and sometimes by force, have snatched the victim from her destroyers, so to speak, as a brand from the fire. Pliny, having mentioned the abolition of human sacrifices, by a Senatus Consultum, in the year of Rome 657, says: *Non satis æstimavi posse quantum Romanis debeatur, qui monstra sustulere in quibus hominem occidere religiosissimum erat.* Lib. xxx. c. 1. To deliver our subjects from this horrible evil, it is only necessary to act on the same principle which dictated the prohibition of *koors*, of female infanticide, and of the offering of human beings to be devoured by sharks at Saugor. If the legislature will *permit* human sacrifices among a superstitious people, there will always be found wretches whose cupidity or cannibal disposition will make them willing priests at the altar.

* See the Friend of India, (printed at Serampore,) for December, 1819.

100 square miles, from a period anterior to the arrival of the English, had been covered with swamps and jungle, and served as a mere lair of wild beasts, and source of pestilential exhalations. During many years the advantages that would result from clearing and cultivating it, both in furnishing various accommodations and supplies to the shipping, and in affording to the inhabitants of Calcutta, and of the interior, the cheapest means of enjoying sea air and sea bathing for the recovery of health, had been a theme for conversation, for visionary projects, and unavailing wishes. Government never had, and never would have, money to spare for such an ex-

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Alter enim, SI CONCEDAS MACTARE, vovebit
De grege servorum magna, et pulcherrima quæque
Corpora; vel pueris, et frontibus ancillarum
Imponet vittas: et si qua est nubilis illi
Iphigenia domi, dabit hanc altaribus, etsi
Non sperat tragicæ furtiva piacula cervæ.—*Juv.* xii. 115.

Of the sect of Ram Mohun Roy, it may be said that they serve indirectly as iconoclastic pioneers to Christianity. As it happened before, so it may happen again, that when deism shall have uprooted the weeds of idolatrous polytheism, then may the disenchanted mind be profitably sown with Christianity.

periment: the natives had more than enough of money, but neither zeal nor intelligence, and little interest in the result, except as it would render accessible certain spots of peculiarly holy ground. At last, in the year 1819, a few British merchants taking the lead, a sum of 2½ lacks of rupees was raised, by subscriptions of Europeans and natives, in shares of 1000 rupees; and an agreement entered into with government, of which it is unnecessary here to specify the conditions. It is sufficient to observe, that, for this most useful work, a presage of what colonization would effect, we shall be indebted to a class of persons, whose existence and increase the Company have always viewed with the utmost jealousy and aversion.

The office for registering lascars, or native seamen, is another benefit conferred by Europeans on the natives. Before the establishment of that office, in 1817, lascars were to such a degree a prey to the over-reaching rapacity of native crimps, (*ghat manjees*, &c.) and were carried on board so ill provided for the voyage, and with wages so much forestalled, that they were tempted to deliver themselves by secretly setting fire to the ship before she left the river, or when within sight

of land. To prevent these crimes and calamities, by insuring to the lascar the receipt of the whole of his wages, and to protect him against his own improvidence, was the design contemplated by the establishment of the Lascar Register Office, the expense of which is borne by regulated contributions from underwriters and ship-owners; and its success has satisfied the most sanguine expectations of its promoters.

In all the discussions that attend the progress of these societies and institutions, in the periodical press of Calcutta and Serampore, there are abundant manifestations of a disposition, on the part of the European inhabitants, not merely to abstain from, and discountenance, any "encroachment" on, or "extrusion" of, the natives, but to conciliate and befriend them in every possible manner. And, as this spirit is more active among those who have resided some time in the country, than among new-comers, there is reason to expect, that it would grow and strengthen with the increase of the colonial community. It will not surely be said, that, because British India has no separate political existence, and because the British residents are to each other as parts of the British public, they are

incapable of having *local* opinions, tastes, and interests. There is no town in Britain, however inconsiderable, nor however subject to an influx and efflux of temporary inhabitants, that has not its local public, which claims and exercises an exclusive jurisdiction over local matters: and shall it be denied to a body of men so peculiarly circumstanced, and so remote from *that* public, which is (according to the hypothesis I am combating) to be the *only* judge of their fame and character? It is proverbial that every place has its "parish "business" to talk about. But this dispute really runs into logomachy; for, admitting that they are but parts of the British public, yet they are on the spot where every Indian occurrence, great and small, is transacted; they are present to see, to hear, to snuff up, the slightest odour of good or ill desert; they are the audience, with whose applause or censure the actors must necessarily feel cheered or dejected.

But, in order that this audience should be able to discharge the important function assigned to it, it is necessary that its mouth, the press, should be free. When authors are subject to arbitrary and extra-judicial punishment, the press ceases to be an organ of praise

or blame. When people once perceive, that, like the suborned oracle, it can only *Philippize*, its monotonous strains of panegyric are always suspected, and generally despised. In the mean time, calumny and misrepresentation creep about, and maintain their existence only from the interception of that publicity, under whose scrutiny and rebuke they could not live. Such was the condition of the press of Calcutta during many years previous to the administration of the Marquis of Hastings: but, as the censorship is not dead, but sleepeth, and may be restored to its abhorred office by his successor,—as the controul of government over the press has not been legally annulled, but only the mode of exercising it altered,—it is necessary to remind Englishmen that their brethren in India, whatever station they may be honestly and diligently filling, are liable to be removed from it and from the country, and turned penniless on the wide world, if they publish any thing displeasing to the government! The ostensible apology for the continuance of this scandal is, that it would be dangerous to allow indiscreet discussions to go forth among the natives. What is this but to avow that our motives and designs will not bear examination, and that our go-

vernment cannot adapt itself to the interests and wishes of an intelligent people? Though surrounded by native governments, characterized by every vice that belongs to barbarous despotisms, we are yet fearful that *ours* should not gain, by trusting to legal checks on freedom of investigation and speculation; and the expediency of this hoodwinking policy is maintained by those who oppose colonization, on the ground that the natives would *then*, and then only, be liable to be deceived and trampled on! Perhaps, however, they will say, that, in advocating the propriety of subjecting the aberrations of the press to the cognizance, not of a jury, but of the local governments, they only mean indirectly to support the original system, under which, when it existed in practical vigour, every European, not in the service of the Company, was considered an interloper, and liable to be summarily transported without trial; but that, if it be intended to widen indefinitely the foundation on which our power rests, by adopting the colonial plan, they withdraw their objections to a free press, being sensible that, under such circumstances, it would rather be a corrective, than an aggravation, of the evils they apprehend. It is evident, indeed, that the question of a free

press in India depends on that of colonization: if the latter be granted, the former cannot be withheld;—the two things are plainly inseparable. With respect to the natives, it is no less apparent, that the more they are capable of interesting themselves in English politics and literature, the more they must be qualified to appreciate those principles of justice, order, and freedom, of which Asia presents no other example, and to which they may appeal, whenever they may think themselves aggrieved by their violation. It must be perfectly optional, whether we shall attack such men by good treatment, or alienate them by the reverse; and it would be needless to argue, whether the probability of our making the wiser choice would be increased or diminished by a free press.

A fit accompaniment to these restrictions is an *order* of the Court of Directors of 1806, that the inhabitants of Calcutta, and of the other Presidencies, shall not meet in their town-halls, or elsewhere, without the permission of government. This badge of servitude being, in all respects, analogous to the former, and resting on the same authority, will, in due time, share the same fate.

In the mean time, there is this immovable

obstacle in the way of those who oppose the "liberty of unlicensed printing," that the offspring of Europeans by native mothers, residing within the jurisdiction of the Supreme Courts, are exempted from those star-chamber proceedings, in respect to the use of the press, to which British subjects are liable. So long as Europeans continue obnoxious to extra-judicial coercion, there is this double anomaly, that, not only is the discretionary power, claimed for a particular purpose, rendered substantially inadequate and nugatory, since all can, anonymously, resort to the "unli-"censed" (or half-cast) press, but exclusive confidence, in a matter of much political interest, would seem to be reposed in a class of persons, who are, at the same time, in matters of yet greater interest, treated *as if* they were objects of distrust, being ineligible for the regular service of the state, both civil and military, and who may therefore be presumed to be somewhat dissatisfied and querulous. A greater latitude is thus ostensibly allowed, to those who are excluded for attack, than to those in possession for defence; and the utmost facility of evasion is afforded to those, whom it is, at the same time, attempted to restrain and intimidate, by the menace of arbi-

trary punishment. From such a state of things, unanswerable arguments in favour of the liberty of the local press might be addressed to those, who would resist reasons drawn from a higher source.

The principle on which persons of the mixed blood are excluded from the regular service of the Company is, that their admission would indirectly favour colonization, "by accrediting the sort of connexion, in "which the mixed race originates, and, by "proportionably reducing the value of alli-"ances purely European, to loosen one among "the holds, by which Englishmen in the East "are attached to Europe."* The progress of colonization, if other obstacles were removed, would not be sensibly retarded by an adherence to the above-mentioned principle; and it might then be a question, on other grounds, to what extent, if at all, it ought to be allowed to operate. But it never can be advisable to carry it farther: *viz.* to their exclusion from the *irregular* service, or to the exclusion from the regular service of those who are more than one step removed from the

* Expediency. p 216.

native renter. And yet it is pretty well known that the Directors are actuated by a strong disposition to give it that extension; that they resist and endeavour to defeat every provision for the employment of half-casts in the irregular corps, which the Marquis of Hastings has made, with the wise and humane design of stimulating their patriotism, and of raising them in their own estimation and in that of others; and that they have even adopted a rule for excluding from their regular service every candidate, who, in the phraseology of the West Indies, would be called a quadroon. This persecuting spirit may not be the effect of *prejudices,* such as are ascribed to the future colonists; it is the result of a policy totally regardless at what expense of degradation and suffering, to a particular class in the community, it accomplishes its purpose. Have the half-casts reason to congratulate themselves on the elevated level, from which British virtue showers her graces upon them, and to pray for the continuance of a system which avowedly sacrifices them to its pretended anxiety for the happiness of the natives?

Surprise is frequently expressed, that so few of these people avail themselves of their capa-

city to become proprietors of land; and that a still smaller proportion are entitled to the name of agriculturists. A reference to what was said, in the last chapter, on the double redemption of the rights of government and of the ryots, which ought to precede the agricultural operations of the colonists, will help to explain why they have derived so little benefit from the land, and the land from them. These difficulties might, in some measure, be overcome by the concurrence of an impulse from government, with a greater degree of energy and a more liberal education on their part. In their personal qualities and accomplishments, they and their friends will find the surest resources against malevolence from whatever quarter. But it is not to be expected, that they will throw themselves with spirit and advantage into the career of agriculture, until the difficulties that obstruct its entrance shall have been encountered and subdued by British colonists. Then, too, their exertions would be invigorated, as they are in all other pursuits, by competition with the most skilful rivals.

A comparison of the disadvantages under which these people labour, with those which oppress the analogous race in the West Indies,

will strikingly illustrate the superior respect entertained for those, with whom the former are connected by their maternal ancestors. In India, the *only* legal incapacity to which they are subject, more than other persons of illegitimate birth, is their exclusion from the regular service of the Company; and, until lately, this exclusion did not pursue them to the second generation. In the West Indies, the following incapacities attach to them, until after three descents from the negro ancestor: 1. Their evidence is not received, in criminal cases, against a white person: 2. They can neither be elected, nor elect others, to serve in parochial vestries and general assemblies; they are incapable of acting in any, the lowest, office of public trust, or of holding commissions, even in the black and mulatto companies of militia: 3. In Jamaica, a testamentary devise from a white person to a negro or mulatto, not born in wedlock, of property exceeding in value £2000 currency, is void. Private acts are sometimes passed, granting to individual mulattoes the privileges of white people, with some limitations. These restrictions (the first of which is so revolting and detestable) manifest the profound contempt with which the negro race is regarded,

and the immense interval by which the whites consider themselves separated from them, from those whom they have known only as slaves or freedmen. The independence of St. Domingo reads an impressive lesson, that negroes can be masters and legislators; and that, though still in a probationary state, they are acquiring a capacity to perform all the duties, and maintain all the relations, of civilized life.

In India, every native, both Mussulman and Hindoo, (however the latter may be branded, in the eyes of his countrymen, with lowness of cast,) may be a witness against an European; whereas, under the Mahomedan governments, which we supplanted, no Hindoo could give evidence against a Mussulman. In the provincial courts, the natives are tried by European judges, without a jury; and in the Supreme Courts, at the Presidencies, by juries composed of British subjects. These arrangements are perfectly satisfactory to Mr. Grant; and provide, he thinks, amply, and in the best manner, for the administration of justice. He objects to the introduction of the *punchaiet*, or *Indian jury*, which Colonel Wilks has recommended as best qualified to extract truth from Indian witnesses, on the

ground, that no reliance could be placed on the oaths of any number of jurors promiscuously chosen. " The juror may undertake " for the witness, but who shall undertake for " the juror? It is difficult to believe, that " the person who has literally no conscience " in the witness box should always find one, " when he steps over the barrier into that of " the jury." * There is a fallacy in this dilemma, which the least advertence to the difference between an interested witness and a disinterested juror will serve to detect, and to show that the question, *quis custodiet*, *&c.* is here impertinent. Even native judges would be more trustworthy than native witnesses; but native jurors, " promiscuously taken," are still more favourably situated. They could not be tampered with beforehand, and they could not depend on being remunerated afterwards: their concurrence, therefore, in a true verdict, even though they might individually, as witnesses, have no consciences, would be infinitely more probable than their conspiring to give a false one; and, if we may depend on their honesty as jurors, there can be little

* Ibid. p. 132 and p. 103–4

doubt of their superior skill. There is, among natives, a sympathy, an instinct, a tact, in judging the presumptions of guilt charged against their fellows, and in drawing just inferences from the manners of witnesses, to which Europeans never can attain, and to which they seldom pretend. A professional European may indeed use more dexterity in cross-questioning, and in hunting a prevaricating witness through all his evasions and doublings; but it must be remembered, that prevarication, in India, is not the sole test of honesty, and that there is scarcely a single witness, however indifferent respecting the issue, that does not run into it, or that may not be drawn into it; for, as Mr. Elphinstone justly remarks, a native of India "seems incapable of observing any thing accurately." Other reasons are assigned by Sir Henry Strachey,* why the witnesses, in support of the prosecution of a culprit, who is really guilty, and whom they are anxious to convict, defeat their purpose, by mixing superfluous lies with their evidence of facts. All this

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* See his Report on his Completion of the Second Session of the Calcutta Court of Casts, 1802.

jumble of truth and falsehood, on both sides, not a little disturbs the equanimity of the European judge, so that he frequently discharges the splendid bile of his indignation against the prosecutor and his witnesses, by acquitting the accused, whom he, nevertheless, believes to be guilty. All this Sir Henry Strachey admits; and the cause to which he ascribes the evil, viz. our ignorance of the native character, distinctly points out a jury of natives as the appropriate remedy. If, then, we have sufficient reason to rely on such a jury, there remain, to enforce the propriety of its introduction, all those reasons connected, not merely with the reality, but with the opinion of an upright administration of criminal law,—and, also, with its good effects on the moral and intellectual character of the jurors, which render that institution dear and sacred in the eyes of Englishmen.*

In our native army, offenders are tried by courts martial composed of native officers, and the members of these courts, both as jurors and judges, discharge their functions in a very

* At Ceylon, natives are tried by juries composed of natives.

satisfactory manner. Nobody has ever thought of applying "the old Indian dilemma of the "elephant and the tortoise,"* to the subversion of this excellent regulation.

But, though Mr. Grant is now so unwilling to admit natives into the jury-box, very different are his sentiments as to the expediency of the concession, under a colonial system. According to his reasoning, the *present system* ought to restrict trial by jury to British subjects, until its own doom be pronounced, and then, with a death-bed piety, enjoin its successor to communicate the privilege to the natives. May we not prescribe a leaf out of this Ιχον Εμπορικε to the supporters of the present systém, before they quit the stage? May we not commend to their own lips the cup which, for the benefit of the colonists, Mr. Grant has sweetened with so copious an infusion of humanity? But all this humanity is prospective, and to be exercised at the expense of the moderation and self-denial of the colonists. To curb them,

* "The proposed succedaneum of an Indian jury "seems, partly, to involve the old Indian dilemma of the "elephant and the tortoise." Expediency, p. 131.

he tramples on his elephant and tortoise, and produces Indian jurors, (so lately rejected for want of conscience,) *omni exceptione majores.* He thinks that a Hindoo prosecuting an European would be more likely to receive a fair hearing from a jury of " low narrow-minded " European householders, with all their western prejudices fresh and thick upon them, such as now serve on petty juries, than from one of " low narrow-minded creole house-" holders," to whom those prejudices would be but faintly transmitted, and in whom they would be counteracted by long habits of dealing with natives, their equals or superiors in wealth, and by the improved and improving character of the natives generally. He would resort to the stronger remedy only when the disease had assumed milder symptoms.

With respect to the supposed partiality of the verdict of a creole jury, trying an European defendant, prosecuted by a Hindoo, he says, " In " what manner shall the evil be remedied? Shall " we constitute the juries *de medietate linguæ,* " as it is called? Would the colonists tolerate " such an arrangement? Would they endure, " for example, that a British settler, indicted " for the ill-treatment of his Hindoo servant, " should be tried before a jury half composed

"of Hindoos? *Or, even if they would, are* "*we of opinion that the numerical parity would* "*create a real equilibrium?*"* Now, if I should say, (as I am most willing to do,) that I believe the colonists would *not* object to such an arrangement, that is, to an equal division of the jury in such cases, he would instantly bring forward a demand, that there should be a numerical superiority in favour of the natives, but without specifying to what extent, whether as 7 to 5, or as 8 to 4. Such pertinacity of crimination must be left to itself; it cannot be reasoned with.

While I agree with Colonel Wilks, in approving of the use of juries composed of natives, I wish nothing less than to see all the juridical rules and practices, which the English have introduced, superseded by those prescribed in the Hindoo code, "with all its numerous imperfections on its head;" among which imperfections are, the variableness of the number composing the *punchaied*, and its exclusive application to arbitrate *civil* differences. I would not seek the means of improvement among the earliest attempts of bar-

* Ibid. p. 240.

barous ignorance, much less in the books of a society viciously constituted, and corrupted by superstition and venality, but among the latest refinements of enlightened civilization. We ought to endeavour to attain to simplicity, not by adopting the crude efforts of a people, among whom the progressive principles have been paralysed during so many centuries, but by extracting the essence of the accumulated experience of natives, who, in all things, have carried improvement and discovery to the greatest height. It would be more reasonable to digest a comprehensive code, having the smallest possible alloy of imperfection, than to be satisfied with a limited one, confessedly loaded with "numerous imperfections." There is nothing in English jurisprudence that, if transferred to India, could justly be considered a misapplication of technical skill, labour, and expense, that ought not to be reformed in England, as being obnoxious to the same censure. With reference, therefore, to every judicial rule and practice, the question ought to be, not whether it is borrowed from the code of England, or of Arabia, or of Japan, or of the north of India, or of the south,—but whether it satisfies those principles of equity and utility which are recognised by all mankind,

and adapted to secure the common interest, the public content, and tranquillity.

Having now examined the probability of the occurrence of those encroachments and oppressions, those " thousand insults and in-" juries," which Mr. Grant imputes to our future colonists, it remains for the reader to determine whether he has established his charges, and, with them, the certainty of the retributive vengeance with which the over-loaded patience of the natives would, at last, by one convulsive effort, overwhelm their tyrants. If the premises should be granted, I have no wish to dispute the conclusion, nor to dissever crimes from their penal consequences.

The other alternative is considered by Mr. Grant as less probable, but by the Directors as *equally* probable,* and by both, apparently, to be deprecated: viz. that the colonists should conduct themselves with so much prudence and equity, and should effect so great

* " *Nor is it less probable* that a vast mass of native " subjects, thus put into a new state of agitation, a " numerous European community progressively enlarging " its views with its importance," &c. &c. As. Ann. Reg. for 1801, St. Pa. p. 31.

an improvement in the native character, as to constitute a mass of political strength, capable of conceiving and asserting pretensions to independence. Those judgements must be pronounced very much at random which embrace opposite extremes with equal alacrity; and which alternately manifest the same degree of conviction, that the colonists will abuse to the worst, and use to the best, purposes,—their moral superiority over the natives. But the reader will decide, whether this last alternative is not the one which unbiassed reason and dispassionate inquiry would adopt, as exhibiting as clear tokens of probability as can be expected in human affairs. In what space of time these seeds of independence might come to maturity, whether in fifty or in two hundred years, I shall not venture to conjecture, but this opinion I will confidently submit to the candour of all men that *there can be no justification for the conduct of those who would interpose obstacles to obstruct their growth; inasmuch as no obstacle could be devised that would not partake, more or less, of oppression.* It would be no excuse for any measures taken to stunt the growth of the colony, that they had for their object the benevolent design of preventing the evils and atrocities of civil war.

Let every generation take upon itself the duties which circumstances devolve upon it, be they arduous or easy. We cannot indulge ourselves in unjust, harsh, and domineering proceedings, on the plea that we fear posterity may neither have wisdom nor virtue adequate to the demands of some great emergency. Such a plea would be insulting and ridiculous.

In estimating the progress of the colony, some regard ought to be had to the climate. From the occasional visits of epidemics, no country is exempt; but, in general, it may be said, that, though the climate is far from being *congenial* to the European constitution,—yet, in ordinary years, the proportion of deaths is not greater than it is in Europe. At the same time, the climate is continually improved, by the progressive clearing of jungles, and draining of swamps, &c. The beneficial effect of such operations has been ascertained in many instances; but the importance of attending to them, in large towns, cannot be too highly estimated.* Other means of securing or re-

* The attention paid to the improvement of Calcutta is creditable to the Committee of Conservancy; but, whe-

covering health are also increased by experience; as those relating to the construction of houses, to regimen, to medical practice, and to local salubrity. But, as the very existence of the colony would depend on the number and character of the Creoles, a more interesting question presents itself, How would the climate affect them? If we judge from their

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ther from want of funds or of powers, their operations do not keep pace with the wishes of the public, nor with the necessities of the case. Calcutta has been compared to St. Petersburgh; but the want of an original plan for the building of the European or native part of the former city has occasioned defects, which it will require much public spirit and expense to correct. Indeed, if the esplanade of Fort William did not guaranty the preservation of its *lungs*, Calcutta would be in a much worse predicament than it is. Were it only for the more vigorous prosecution of these improvements, it would be a highly desirable (and not a premature) arrangement, to give to Calcutta an elective municipal constitution. The thirst for civic honours, the spur of public opinion, would certainly produce more zealous, able, and powerful agents than any that government can select. Thus we might introduce the first example of a non-stipendiary magistracy into India. The effect of this change, in relieving government of some of the multitude of questiuncles respecting petty arrangements and most trifling details, that are now incessantly obtruded on its attention, and consume its time, would not be the least of its advantages.

condition in the West Indies, we have no reason to apprehend any kind of degeneracy. According to Bryan Edwards, they are a taller race than the Europeans, (a fact of itself incompatible with degeneracy,) but not proportionably robust; rarely obnoxious to those inflammatory disorders, which frequently prove fatal to the latter; without less capacity and stability of mind; and by no means falling short in those qualities of the heart which render man a blessing to all around him. They are acclimated Europeans, with more frankness and gaiety of disposition, but also with more aversion to serious thought and deep reflection. Now we may, with certainty, expect that the Creoles of India, as inhabiting a country of greater variety of surface and temperature, would be even less distinguishable from their European ancestors by personal or mental peculiarities; and that they would amply attest the truth of the sublime lines of the poet.

" Can opener skies and suns of fiercer flame
" O'erpower the fire that animates our frame;
" As lamps, that shed at eve a cheerful ray,
" Fade and expire beneath the eye of day?
" Need we the influence of the northern star
" To string our nerves and steel our hearts to war?

"And where the face of Nature laughs around,
"Must sick'ning Virtue fly the tainted ground?
"Unmanly thought!—What reasons can controul,
"What fancied zone can circumscribe the soul,
"Who, conscious of the source from which she springs,
"By Reason's light, on Resolution's wings,
"Spite of her frail companion, dauntless goes
"O'er Lybia's desart, and through Zembla's snows."

The mixed race, it is obvious, would be not less capable of resisting the utmost fervour of the solar ray than the aboriginal inhabitants; and among them most valuable members of the community would be found, in all ranks, from the highest to the lowest. It is not to be denied, that a certain invincible prejudice, in favour of pure European blood, would prevail through all classes, and that, in general, the gradations of society would be marked by corresponding shades of colour,—a white aristocracy, a brown middle order, and a black commonalty. With many exceptions, this would be the general rule; but it would be effected, not by the exercise of any sort of oppression, on the part of those of a fairer complexion, not by prescriptive and exclusive laws, but by the circumstances that would regulate intermarriages. The poor white man would frequently be compelled to seek a mate

among females of a dusky hue, and his grandson might be driven to choose among a yet darker race. On the contrary, the opulent Christian, of the deepest aboriginal tint, could have no difficulty in obtaining the hand of a lady having a certain proportion of European blood, and his grandson might aspire to one still richer in this species of dower. Thus, as the posterity of the one would be more and more nigrescent, that of the other would be more and more albescent, until the colour of the ancestor became, in both cases, extinct. May those, who are fair outwardly, strive to be pure inwardly! may the visible impress of an unmixed lineage bespeak the invisible candour of the mind, and be a continual spur to excel in generous and humane conduct, in all that elevates and sweetens human nature.

CHAPTER VI.

ON THE REMAINING TOPICS CONNECTED WITH THE ABOLITION OF THE EAST INDIA COMPANY.

If I have succeeded in showing that the existence of the Company is by no means indispensable to the welfare of India,—that, on the contrary, the interests of that country irresistibly demand its abolition,—I have removed the *principal** objection against throwing open the trade with China, the profits of which, the Company declare, are essential to their *political* efficiency. Without those profits they could not pay their home establishment, whence there would be reason to apprehend that those young gentlemen who are so kind as to answer the Governor-General's despatches would

* Expediency, p. 357.

disband themselves;* they could not pay the dividends to the proprietors of East India stock, which would reduce the multitude of counsellors from upwards of a thousand to two dozen, and by consequence break up the best organ for the government of India that the nation, in its wisdom, could devise. The middle links of this chain of reasoning are good and strong; we shall admit the proprietors to be necessary to the Directors, and the Directors to be necessary to the proprietors; but the extreme links are not rivetted into the things which they are intended to connect, viz. the profits of the China trade and the good government of India. In the first place, I have shown that the profits of the China trade (if in their hands it be profitable) are not the only, nor the principal, fund whence they have defrayed their home disbursements; and that there is another fund, the territorial revenue, which they know to be far more valuable, and of which they have always freely availed themselves. In

* See Debate at the India House, where it appears that a Mr. Melvil was in training to take upon himself the Military Correspondence.

the second place, I have proved that the government of India, through the medium of the Company, is essentially hostile to the prosperity of that country.

The gravity with which the Company put forward their political services as a reason for conceding to them the monopoly of the China trade, is not the least singular thing attending this whole discussion. It is obvious that, besides the loss incurred by the contraction of the trade, the excess of price at which the teas are sold beyond that at which the consumer would obtain them under a free trade, is a tax levied on the people of England for the benefit of the East India Company; and the appropriation of this tax they claim, " not so much for their own sake, as " for that of the great interests entrusted to " their guardianship."* It is for the sake *of the people of India*, that they submit to be cumbered with exclusive privileges, that they are even anxious to lay their countrymen under contribution! Scarcely does history record an instance of severe unwillingness " to bear " the golden yoke of sovereignty" for *its own*

* Expediency, p. 358.

sake; but if such a feeling be barely conceivable in the case of a prince who really devoted his time to the discharge of all the duties which are incumbent on the faithful shepherd of his people, and who identified himself with all their good and evil fortunes; what shall we think of such language in the mouths of sovereigns who live many thousand leagues distant from their subjects, and who know them only by the occasions which they afford for the exercise of patronage and the receipt of tribute?

The argument next in the order of importance for the continuance of the monopoly is derived from the peculiar character of the Chinese government. It is said that the mere change would alarm the Chinese; and that our enemies, the Portuguese at Macao, and the Portuguese missionaries at Pekin, when they could display an act of parliament throwing open the trade with China, might say: "It was by instruments of this kind that "India was conquered, and by the same "instruments the English hope to subdue "China."* That is to say, the Portuguese

* Quarterly Review, No. xvi. p. 274.

who have so long been incapable of injuring us by pointing, not to a scroll of parchment, but to the thing itself which did really conquer India, the Trojan horse which carried in its womb the Lawrences and Clives, might yet, after the removal of that appalling machine, persuade the Chinese that they would need to use still greater caution in their transactions with peaceable disunited merchants! On the contrary, nothing could tend more to allay the jealousy and apprehensions of the Chinese than the substitution of private for incorporated merchants; and experience has shown that all their quarrels have been with the supercargoes of the latter, not with those of the former, whether English trading from India, or Americans. 2. It is said that British seamen are more unmanageable than Americans, and more apt to commit those excesses and infringements of municipal restrictions which the Chinese are prone to resent by a renunciation of all mercantile intercourse. But the Dutch and other European powers trade to China, and not under the direction of a Company, but as free merchants. Will it be said that the sailors of all these nations are more likely to behave with justice and moderation towards the Chinese than the

British? In truth, British seamen do not deserve that their frank and daring spirit should be so misrepresented; and those who bring the charge, to answer a particular purpose, would be ready to acknowledge, on other occasions, that our sailors are *less* liable than those of any other nation to insult or injure helpless and unoffending people. The conduct of the crews of the Alceste and Lyra, at the Loo Choo Islands, was but an example of the temper they manifest under similar circumstances. But suppose a homicide committed, the offender is, by the law of nations, amenable to the Chinese laws; and there are only three courses for us to observe with reference to the Chinese code, which punishes all homicides with death; viz. to submit to the evil; to withdraw from direct trading with them; to make it the subject of negotiation. If we should not adopt the second of these courses, as there is no probability that we ever shall, there is as little reason to fear that the Chinese should forego the advantages they reap from our trade; for, in the first place, they can always compel the surrender of the guilty, or unfortunate person; secondly, their indifference to commerce is almost wholly affected, and shows itself only in the

strange composition of their state papers; for, on every dispute with the Company's supercargoes, the viceroy and his subordinate officers have manifested the utmost desire that *trade* should suffer no interruption. The immense population of the province of Canton, traders and men in office, are so accustomed to the sweets of commerce, that the Court of Pekin probably could not deprive them of it, if, disregarding all financial considerations, it were so rash as to make the attempt. 3. It is doubted whether the Chinese would receive a British Consul. The Americans "have a person who chooses to "call himself by this name; but we know "that he is neither acknowledged nor re-"spected by the government, *which merely* "*consider him as the person on whom they* "*can fix a responsibility for the conduct of* "*the Americans.*" If the Chinese do not acknowledge him, we may suppose that they would dispense with his presence, and that he is there solely for the convenience of the Americans.* If a British Consul resided on the same terms it would be sufficient. His

* Quarterly Review, No. xvi. p. 273.

duty would be, like that of the American Consul, who has not even a salary from his own government, to advise and instruct ship-masters in the usages of the port; and as to responsibility in his own person for the conduct of his countrymen, it is a mere bugbear. The responsibility has invariably attached to the peccant individual. 4. It is said, that "a British Consul armed with power short "of tyrannical, could maintain no effectual "controul over a *promiscuous assortment* of "British crews."* And if he had such powers, the Chinese would not permit the exercise of them to be *exclusive* of their jurisdiction. We may as well talk of arming an ambassador at Paris with tyrannical powers. The Chinese police, the captains of ships, and common prudence are the only sources of preventive controul that can be imagined in the port of an independent power. 5. It is said, "we doubt whether any British subject "of respectability would expose himself (as "consul) to the chance of the degrading "treatment he might receive at the hands of "the Chinese; and are pretty certain that

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* Expediency, p. 253.

"the House of Commons would not arm him "with the power of delivering up a British "subject, who may have committed an invo-"luntary and accidental homicide, much less "to deliver up an innocent substitute."* The respectability of the consul would entirely depend on the salary annexed to his office. If it were thought necessary to make that equal to the emoluments of one of the senior supercargoes, there can be no possible reason why the consul should not be taken from the same rank of life to which they belong, that is, the highest under the degree of nobility. Certainly, the British legislature would never authorize the consul to sacrifice an innocent individual; but does this writer suppose that the Company's supercargoes possess any powers incompatible with the laws of England; or that those laws could sanction that in the latter which would be criminal in the former? Are British subjects, servants of the Company, independent of British jurisdiction? No! The Chinese may have power to *extort*, but the Company's officers cannot have lawful power to surrender

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* Quarterly Review, No. xvi. p. 273.

to death an innocent person of whatever country. 6. It is said that a consul "would "be exposed to insults and humiliations which "could not *possibly* be endured by a national "delegate without a compromise of the na-"tional honour."* This is said with a total disregard to our history, and to the diplomatic relations we maintain with the several powers of the world. We have one estimate of national honour, and of the expediency of vindicating it, for our ambassador at Paris, another for our envoy at Constantinople, another for our consul at Algiers. After purchasing the forbearance of the last-mentioned state during many years by the payment of a disguised *tribute*, we at last thought of speaking to them by the voice of our naval thunder. It is not every day, nor with every nation, that we choose to go to war for the ears of a smuggling captain. But farther, the national honour is equally concerned whether we hold intercourse with foreign powers through the medium of Company's servants, or through that of "national delegates." There is no difference. It is in vain, therefore, that the

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* Expediency, p. 353.

Company urge their readiness to save the national honour by throwing their own servants to be trampled on.* It is also unjust towards those gentlemen; and the conduct of the late embassy proved that a super-cargo (Sir George Staunton) could be more tenacious of national dignity than his majesty's representative. When the Company shall have been dissolved, the nation will be as free to forego, or to assert, every just claim, after a comprehensive view of all circumstances, as she has ever been.

The last argument against a free trade to China is, that it would occasion an indefinite increase of smuggling. "That these apprehensions are too just, the history of the "tea-trade seems to evince."† Now that history shows that, when the monopoly, which is here represented as the only safeguard against smuggling, was entire, and before it had felt any of those ineffectual blows which, at intervals of twenty years, (as if we could not

* "The Company's agents frequently submit to caprices and humiliations (from the Chinese) to which the "honour of a sovereign would not allow any representative of his to yield."—Report of the Committee of Correspondence, &c. 1813. Pamphleteer, vol. ii. p. 115.

† Expediency, p. 354.

recover from so great an effort in the revolution of a smaller cycle,) have been aimed at it, the clandestine supply of tea was equal to two-thirds of the whole quantity consumed. The state of the tea-trade, in 1784, and the effect of the reduction of the duty, by the Commutation Act, from 119 to 11½ per cent., prove any thing rather than that the Company's monopoly is a security against a fraudulent import. In as far as it enhanced the price of tea, to that extent undoubtedly it increased smuggling; but the main cause then, as in all times, of the prevalence of the practice was the exorbitance of the duty. There is a certain point beyond which every addition to the duty occasions a more than proportionate defalcation of revenue, whether from diminished or from illicit consumption. The means of reducing smuggling to a minimum, moderate duties and skilful regulations must be more effectual under a free trade than under a monopoly, because, in the former case, there is less temptation to counteract them. But Mr. Grant speaks as if "the still maturing "system of the Company" were itself a regulation, and the most efficient of all for the suppression of smuggling; whereas, that system can only tend to ensure the payment of

the duties by the Company, not to prevent its evasion by others. The Company are not farmers of the duties; they employ no establishment to co-operate with that of the Custom-House. The honest, licensed distiller does not trouble himself with those whose occupation it is to defraud the Excise; he hires no myrmidons to hunt out and bring to condign punishment those whose "secret, black, "and midnight" practices diminish his profit. The Commissioners of Excise would never propose to increase the revenue by erecting an exclusive company of distillers. Though the duty might be collected from the new company with the utmost "cheapness, facility, "and certainty," they would know that these advantages could not compensate for the loss incurred by the augmentation of illicit distillation, which would be the infallible consequence of the monopoly.

One would suppose, from Mr. Grant's mode of reasoning, that the tea-trade had formerly been free, and that excess of smuggling had been reduced solely by applying the ligatures of monopoly. He says, "*if the tea-trade be* "AGAIN *set afloat*, and vessels from various "parts of the kingdom encouraged promis- "cuously to engage in it, all the benefits re-

" sulting from the present arrangement will " be put to imminent hazard."* Would throwing open the trade be recurring to a system which we have already experienced, and found to be hurtful? Have we ever tried the effect of a promiscuous contribution to the revenue from a promiscuous trade to China? Perhaps no part of the Company's case has been the subject of greater delusion than this; for some people, who have been more or less intolerant of every other part of their system, have yet respected their China trade, and upheld all their pleas for its countenance; and yet, on examination, no part of their case appears less defensible. In this instance the practical mischief may not be (as it is indeed far from being) equally lamentable, but the arguments for its removal are, in proportion to their object, equally clear and conclusive.

I proceed to the question of patronage. The transference to the crown of the patronage now enjoyed by the Directors is to be considered, as it would affect the government of Britain on the one hand, and of India on the other. The Company maintain that it would

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* Expediency, p. 355.

be productive of great detriment to both; that the increased power of the king's ministers would encourage them to abuse it in India, which abuse would further strengthen their power and render it less controllable. The ministers would conciliate supporters in Parliament by a skilful distribution of their Indian patronage, and by favouring their relatives, friends, and dependents in India, in violation of regulations too reasonable to be openly rescinded; and would thus, by multiplying their offences, secure a more zealous adherence to their party, and a more unscrupulous approbation of all their measures. For these evils, which amount to nothing less than a dissolution of the British constitution, and the unlimited oppression of India, they assert that there is no other remedy than to retain the present system by which the patronage and government of India are, in a certain degree, delegated to the Company.

The circulation of corrupt influence and interchange of jobs, by which these dreadful effects are to be accomplished, naturally carry back the mind to those times when all that is here prospectively imputed to the House of Commons was actually practised in the India House; when those who had been, by what-

ever means, enriched in India, employed their wealth, not to propitiate their judges, but to constitute themselves judges, by purchasing seats and votes, in proportion to their wealth, in the Court of Proprietors. By means of the power so acquired they controlled and directed the Directors, and protected those Governors whose mal-administration had ministered, or would minister, to their thirst of gold. Never were men's duties and interests so directly set in opposition to each other. Never was there a scheme so well adapted to promote the purposes of a corrupt confederacy, and to subject the trade and revenues of kingdoms to its avaricious sway. This was the system by which the trade and government of India were once regulated; this was the unsophisticated idea of a Sovereign Company; and as there never was a time when they have not maintained the expediency of continuing "the "present system," so it has never been to them that we have been indebted for reform, but to the legislature, whose interposition has been beneficial in proportion as it has brought them more under its control, and encroached more largely on their privileges. But as the office of *control*, on the part of the EXECUTIVE, over the administration of the most

important dependency of the crown, is not merely anomalous, (since its own acts ought to be controlled by Parliament,) but extremely prejudicial, as implying a delegation of executive function and division of responsibility; it is necessary to inquire how we may reap all the benefits connected with a total abolition of the Company, to the exclusion, as much as possible, of the collateral inconveniences.

In the first place, Mr. Grant overrates the value of the patronage that would devolve to the crown. He estimates the salaries of all the Company's servants, civil, military, medical, clerical, legal, &c. at £3,500,000; and then, by the following process, calculates that the offices annually vacated will be no fewer than one in ten; so that nominations to the *whole* should revolve every ten years. "It is "said to be an *established law of probability* "that, of *thirteen* individuals casually as- "sembled together, *one* will die within a "twelvemonth; whence has arisen the vulgar "superstition respecting the unluckiness at- "tending a company of that number. *On* "*this ground*, it might, perhaps, be assumed "that, of the offices in the Indian establish- "ment, every thirteenth would annually fall "vacant by death; but the casualties of dis-

"missal for misconduct, or of voluntary "resignation, with a view either to farther "promotion or to retirement from public life, "must greatly increase the probability of a "vacancy. *It seems a very temperate assump-"tion that every* TENTH *office would annually "be vacated.*"* The offices annually at the minister's disposal would, therefore, yield £350,000; but Mr. Grant, making an allowance for the minister's forbearance in the use of this "prodigious machine," is content to state it at £250,000. Now a mortality of one in thirteen is a thing unheard of, and cannot even lean for support on the vulgar superstition above-mentioned, which (I have read somewhere) is derived from the number present at the last supper, of whom Judas Iscariot was one. Equally unheard of is a military or civil promotion, at the rate of annual renewals of one-tenth of the entire corps. It is no less inconsistent with his own showing. He states that the number of civil functionaries, (at that time, 1813,) transferable to his majesty's service, was 587, which, according to his rule, would require the annual appointment of

* Expediency, p. 310.

58 writers; but the real number was less than half of that proportion, being only 26.* In like manner, he states the number of military officers (in 1813) to have been 3467, which would yield 346 cadetships every year; but he declares that they amounted only to 120.†

The application of this sort of test would, no doubt, exhibit the value of the patronage that would be *possessed* by ministers, but not of that which would be *transferred* to them, because nearly all that depends on selection and preferment, consistently with the rules of the respective services they *already* possess. The share of this description of patronage which belongs to the Directors is comparatively trifling. They have the distribution of the tickets in the lottery, but the prizes are wholly, or almost wholly, at the disposal of the local governors. Now these tickets are the only additional weights that would be thrown into the scale of ministerial patronage; and let the reader consider what proportion they would bear to the mass that is already there; whether the power of the crown, since the revolution, has been so nicely dependent on

* Expediency, p. 283.

† Ibid. 284, and Appendix, No. XI.

the sum of its patronage that it would receive any sensible increase from such an addition; and whether it might not even lose rather than gain by so invidious an accession of the apparent means of strength.

Secondly, whatever may be the influence of the crown in peace or war, and however much it may be augmented by the annexation of foreign dependencies, there are resources in the British constitution more than sufficient to balance it. The House of Commons is not a permanent senate which might be pensioned once for all, but composed of representatives accountable to their constituents. This description is substantially applicable to the House of Commons, even in its present state; but how much more after it shall have undergone that temperate analogical reform which public opinion is continually struggling to enforce! If the influence of the Crown be not too powerful at the elections, we may well defy its operation on the elected. If the source be pure we may trust to the inherent virtues of the waters for the failure of all attempts to taint them. If there were no rotten boroughs there could be no Paul Benfields, who could lead each a train of seven followers into Parliament. But, besides the

grand check which is in the hands of independent electors, there is the censorship of a free press, ever pouring forth its appropriate praises and reproofs; there are meetings of counties and corporations to frame petitions; and these are so adequate to their purposes, that we are never likely to require the last remedy for a distempered parliament, "*the* "*interposition of the body of the people itself*, "whenever it shall appear, by some flagrant "and notorious act, by some capital innova- "tion, that their representatives are going to "overleap the fences of the law, and to in- "troduce an arbitrary power."* Either these resources have been overlooked by Mr. Grant, or he thinks they would be unavailing; for he appears seriously to be alarmed,† lest seventeen millions of people should consent to part with their liberty, because a handful of writerships and cadetships was scattered among them; and lest it should be said, after we had thrown away the shield of the Company, *India capta ferum victorem cepit.*

Thirdly, though, from these considera-

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* Burke's Works, vol. ii. p. 324.

† Expediency, p. 304.

tions, we might conclude, that the transference of the Company's patronage to the Crown would be perfectly compatible with the safety of the constitution, on the supposition, that the anti-colonial plan was to be persevered in; yet, if a colony be planted and flourish, it is obvious that it will be able to furnish, from its own body, almost all the functionaries, from the appointment of whom, in England, so much danger is apprehended. The colonial candidates would be cheaper, and though, perhaps, less finished and showy than those from the mother country, would be better adapted to the uses and to the taste of the colony. The advantages of their position would be so great, that England would soon have to supply only a very few of her chosen sons to fill the highest stations, the representatives and connecting links of that imperial power, which would constitute one of the estates in the colonial government. At first, the advantages of the colonists would be chiefly those of proximity to the seat of power, of local experience, and personal connexion; but, as the political weight and consistence of the whole body increased, they would proceed to frame their *petition of right;* they would define by laws the mode of appointment to

offices and the qualifications of the candidates. All this is admitted by Mr. Grant. "A colonial public is formed, not untinctured "with provincial self-importance; but who, "with some plausibility, claim a portion of "the popular rights and franchises that are "supposed to constitute the essence of Britannic liberty; who probably demand, in "many cases, the privilege of electing their "own magistrates; and, at all events, will "not endure to be devoured by place-hunters "from the mother country."* As the stream of patronage, the greater part of it, would flow from new sources, so it would, in some instances, run in new channels. Some offices that have now large salaries would then be executed for small ones, or gratuitously. The duties of magistrates, which now press so heavily on a few, would be rendered of comparatively easy discharge by being divided among many; and the office of collector, now so complicated and laborious, would, from the simplification of landed tenures, the consolidation of petty estates, and the exact ascertainment of fiscal impositions, become one

* Expediency, p. 254.

of the least toilsome, and if not in some places suppressed might be charged with the collection of other taxes.

Since, therefore, the colony would be infinitely useful in intercepting patronage from the ministers, it would be clearly the duty of all who deprecated the abolition of the Company, "as pregnant with imminent danger to "the balance of the constitution," (and we might look for such posthumous service even from the abolished Company,) to contribute their best exertions to promote the growth of the colony; because it would be only during the interval of its nonage that the danger could exist. If the constitution survived that interval, all would be well.

Finally, there are not wanting means of allaying the fears of the most apprehensive during this season of trial. Before the colony was strong enough to grasp at much patronage, expedients might be devised for diverting from the minister that which would be relinquished by the Directors. For instance, writerships and cadetships might be put up to open sale, and be given to those possessing the required qualifications according to priority of application: or the option of taking them might be assigned, as prizes for scholarship, to a cer-

tain number of the most respectable schools in Great Britain and Ireland: or the writerships might be distributed among the mayors of a certain number of the most considerable cities and boroughs in Great Britain and Ireland, at the rate of one to each yearly: or the power of nominating to civil, military, and medical appointments might be conferred on the local governors, with this restriction, that the person so appointed should have resided in India since he attained the twenty-first year of his age, and that his appointment did not violate the just claims and expectations of any individual or body of men. Other restrictions and other plans may be suggested, but it is hoped enough has been said to show that no objection can be weaker, no alarm more groundless, than that which we have been combating.

It follows, from the preceding observations, that the next objection, *viz.* that laws to restrain the abuse of patronage by the local governors would be ineffectual, because parliament being corrupted would have lost its power to enforce the observance of them,—has been already answered. If the integrity of parliamentary controul would be by no means impaired, if the balance of the constitution

would be undisturbed by the abolition of the Company, (a balance which is continually exposed to the action of so many more powerful causes,) then we should continue to possess the same security for the exaction of responsibility from governors which we have at present: but, in truth, we should acquire more and greater securities. The colony would look after its own welfare. There would arise an authority more interested and better qualified to inspect the local administration than any which now exists. It is vain to suppose, as Mr. Grant truly observes, that "the empire of India "can be *minutely inspected* by large delibe-"rative assemblies meeting in a distant quar-"ter of the globe, and intent on an innume-"rable variety of concerns nearer home."* Therefore is it necessary studiously to promote the strength of the local public, to which we may confide the closest scrutiny into Indian affairs, reserving for the decision of parliament only those great and rare questions which should be worthy of so high an arbiter.

While India would thus be protected with

* Expediency, p. 303.

stronger safeguards on the virtues of the government, her internal resources would be so greatly increased, and her internal security so much improved, that government might safely dispense with some part of that extreme anxiety in the selection of agents, and that nice weighing of concurrent pretensions, which the delicate and precarious nature of our tenure, under the present system, renders necessary. The safety, the existence, of the state would cease to depend on the accidents of extraordinary discernment into human character,—on promptitude of just decision in moments of critical emergency,—on the caprice of fortune in promoting and degrading dynasties whose foundations are not laid broad and deep in the nature of things.

There is one claim of the Company which I know not how to state in intelligible language: it is a claim to a sort of SOVEREIGNTY. They say they have a perpetual right to appoint governors, to build and maintain forts, to muster forces by sea and land, to coin money, and to erect courts of judicature.*

* Short Hist. of the E. I. C. p. 16, 56. Letters of Gracchus, in Pamphleteer, vol. i.

They say they hold one part of their territories by one tenure, and another by another; one part (the northern Circars) as tributaries to their vassal the Soubah of the Deccan; another part (Bengal) as grantees from their pensioner the Mogul. At other times, they say they "do not claim the sovereignty of "India, but *only* the *territory*."* But all these rights are defeasible, it seems, for a pecuniary consideration. Thus, "if the sove-"reignty of the Isle of Man be estimated at "£100,000, what may be the value of that "of British India?"† Without regard to superior fertility, if we reckon the value of the latter in proportion to its extent of surface, which to that of the former is as 1200 to 1, its sovereignty will be worth £120,000,000, a sum which, if equally divided among the 3000 proprietors, would put £40,000, into the pocket of each. Now there must occur to all men a simple and equitable mode of answering these claims. It is for the state to resume all that has been from time to time delegated to the Company,—the administration

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* Letter from the Chairman, &c. 1813.

† Dr. M'Lean Ap. Pamphleteer, vol. i. p. 236.

of the revenues, the command of armies, the erecting of courts of judicature, &c. Let the state do all that is indisputably within the competence of *its* sovereignty, and then let the Company apply the residue of *their* sovereignty to whatever use they please. They would probably find that there did not remain with them even so much of the reality or shadow of supremacy as there did with poor Theodore, King of Corsica, when imprisoned for debt in London. As to their right to the territory, which would be a right not of receiving but of *paying* taxes, they must establish it by bringing actions, in His Majesty's courts of justice, against each of the millions of private proprietors among whom it is divided.

It is needless to ask, whether the Company would continue to trade, in their corporate capacity, after the administration of the revenues had been resumed, and the trade to China thrown open. They would neither have funds to trade with, nor would they so employ them if they had. These two measures would, therefore, amount to a dissolution of the Company; and, notwithstanding the indefinite claims to indemnification which the proprietors throw out, their just claims are as dis-

tinctly ascertainable as those of any other description of public creditors. They are entitled to their stock at its current value. A more complicated qnestion would be the apportionment of debts and assets between England and India. I have said enough in the second chapter to show that, if England took the *whole* upon herself, debts and assets, there would still remain a vast balance due to India. Because India has, during many years, paid the interest of a debt contracted for commercial purposes, that is surely no reason why she should be charged with the redemption of the capital. Nevertheless, I may venture to say, that India will joyfully renounce all pretensions of this sort, so that her facility on that point shall expedite her separation from the Company. Invigorated with new hopes and a new political regimen, the debt will not weigh a feather. Let India, therefore, take the debt, and England the stock; and let the assets, (not that ridiculous item of upwards of £10,000,000, which stands in the Company's books, under the head of *dead stock*, for money expended *out of the revenues* on buildings, fortifications, plate, furniture, pleasure-boats, &c. since 1702, but) movable, tangible assets, be divided between the two countries, in pro-

portion to the amount of debt which shall devolve upon each.

The last topic that I shall urge in favour of the abolition of the Company is, their (almost avowed) incompetence to govern our extended Indian empire. Conscious of their unfitness, and dreading the financial consequences of war, they have been unceasing and importunate advocates for such an adherence to a non-interfering and pacific system, as should confine our territory in some sort of correspondence with their limited capacity to manage it. They wished that all beyond our frontier should be reserved as an arena, wherein Mahrattas, Rajpoots, and Pindaries, should for ever worry and destroy each other, unmindful of the impossibility of guarding so extensive a ring fence from their desultory irruptions, and still more of the chance of their uniting in one concerted attack on our provinces, in consequence of the ascendancy of one or two superior spirits. That leaders capable of skilfully combining their operations should arise was a contingency to which we were always exposed, so long as the perennial warfare, which desolated central India, was permitted to extend its ravages, and increase its instruments,

operations which were reciprocally to each other as causes and effects.

The peace of Europe is maintained by the balance of power. When that is disturbed by the ambition of any one state, war is kindled and rages without interruption, except perhaps from nominal peaces, but real truces, until the common enemy has been compelled to renounce his schemes of aggrandisement, and retire within his old frontier. Then its several nations repose on the faith of treaties, and still more on a conviction of the inutility and danger of molesting their neighbours, for a period of twenty or thirty years. The temple of Janus is shut, and all Europe is devoted to the cultivation of the arts of peace, and to the pleasures and advantages of a friendly intercourse among all its inhabitants. But India has never been capable of maintaining such a system of warlike or peaceful relations. There never has been a balance, nor talent, nor mutual confidence to preserve it a moment if it had existed. The personal character of a particular chieftain enabled him to ascend a throne, and to subdue the neighbouring princes. If his successor did not degenerate he extended the limits of his

kingdom by further conquests. If, on the contrary, he inherited none of the eminent qualities of his predecessor, he became himself the victim of more able chiefs, and expiated the usurpations of his father. Thus did the Anarch of old reign throughout the peninsula, over an interminable chaos of jarring elements,—interminable, but by the pervading energy of one paramount state. Such a steady compressive force is as beneficial for India as the substitution of a monarchy for a heptarchy was for England; and the most flourishing periods which the former has known under native rulers, have been those when a Mogul emperor ruled with the most undisputed sway.*

* "Permettez moi de vous demander ce qui arriveroit "à l'empire des Chinois, si, sans rien changer à ses "mœurs, à ses loix, à ses coutumes, ni à son gouverne- "ment, *vous partagiez seulement ses provinces en plusieurs souverainetés indépendantes.* Bientôt vous verrez "que ces mœurs, ces loix, ces coutumes, et ce gouverne- "ment que vous aimez tant, souffriront plusieurs altéra- "tions. Tout l'édifice sera ébranlé. Des princes, dont "les besoins seront plus grands que les richesses de leurs "sujets ne se trouveront plus dans cette abondance ras-

The circumstances which are leading the British authority to a higher eminence than the Mogul ever reached, are big with omens

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" sasiante, où est actuellement l'Empereur de la Chine. " Les passions de tous ces princes dirigéront leur poli- " tique," &c. &c. *Mably, Doutes proposés au Phil. Econom. Let. v.* If Mr. MILL had given a plausible account of that strictly defensive system of politics which the Directors patronize, I would have ventured, at the risk of digression, to examine it; but what can one do with such a tissue of puerilities as the following? On the treaty of Basseen, he says, " The grand benefit held out " by the Governor-General is, that the Mahrattas would " be withheld from war. But this, if foreign war is " meant, the Mahrattas had always regarded, and, except " in a few instances, had always found, a source of " benefit rather than of harm. If internal wars are " meant, these, it is plain, would be as effectually pre- " vented, if the controul of *Scindia*, as if that of the " English, became complete over all the Mahratta states." iii. 604. At page 612, he shows that Scindia was incapable of exercising such controul. Lord Wellesley " might have so terminated the subsisting disputes, as to " make the power of Scindia, the Peishwa, Holcar, and " the Raja of Berar, nearly equal. In the *contests which* " *would of course prevail among them*, the British go- " vernment, by always showing itself *disposed to succour* " the weakest party, might have possessed a pretty com- " plete security for maintaining the Mahratta empire, *if*

of far other happiness and splendour than could emanate from their sceptical bigotry. But the Directors avert their aching eyes from

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" *there had been any use in such a case,* in the shape " which it had thus been intentionally made to assume." iii. 613. The drift of this passage seems to be, that we had no interest in the dissensions or confederacies of the Mahrattas, and that the mere signification of our *disposition* to interpose would be effectual, though we should never back our remonstrances by deeds. " Additional " revenue is only useful when it is not balanced by an " equal increase of expense. The Governor-General " talks loudly of the additional revenue, but not a word " of the additional expense," &c. iii. 66. So that if the additional revenue support twenty additional battalions, with an adequate civil establishment, such increase of revenue is *useless!* there is no balance of hard money for tribute! " In regard to the territory, it may, at any " rate be assumed as doubtful, whether, in the circum- " stances of the British state, at the time of the treaty " of Basseen, she could be rendered intrinsically stronger " by any accession of territory; *since, by act of Parlia-* " *ment,* THE QUESTION *stands decided the opposite* " *way.*" iii. 663. Here, a particular case, depending upon its own circumstances, is " said to be decided by " the opinion of parliament on an abstract question." Now, surely, it is not " a proposition which it will be " easy to maintain, that a country is stronger with regard

this prospect, and regret the good old times when our compact investment-yielding territory was more within the compass of their

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" to its neighbours, if it has its army dispersed in several " countries, a considerable body of it in one country, " and a considerable body in another, than if it had the " *whole concentrated* within itself, and skilfully placed " in the situation best calculated to overawe ANY neigh- " bour from whom danger may be apprehended." iii. 664. This concentrated army would need to be well equipped with seven-league boots, else it might be in the north when its presence was required 500 miles to the southward. " It is said that the position of the English subsidiary " troops, with a native prince, imported the annihilation " or a great reduction of his own force; this, in the cir- " cumstances of India, cannot be regarded as a matter " of almost any importance." Ibid. A great diminution in the number of non-productive labourers, and the conversion of a mischievous, disorderly rabble into ploughmen and artizans, must be a matter of great importance. " It was in a short time, as we shall see, found by the " British government itself, that it could regard the pre- " sence of the subsidiary troops as a very weak bridle " in the mouth of a native prince, when he began to " forget his own weakness. *The weakness, in fact, was* " *the bridle. If he remained weak that was enough with-* " *out the subsidiary troops. If he grew strong, the sub-* " *sidiary troops, it was seen, would not long restrain* " *him.*" Ibid. This reasoning will scarcely convince

superintendance. Amidst the congratulations of more sanguine men they hold such language as follows: "That a *handful of foreigners* should, in our old and limited "possessions on the south-east of India, "where the people are more submissive, have "succeeded in establishing a quiet rule, is a "marvellous thing; but to establish our authority over regions, comprehending in all, "perhaps, 80,000,000 of people, among "whom are many turbulent, unsettled tribes, "must be an achievement of far higher difficulty. TO MAINTAIN THIS VAST DOMINION, WE HAVE, OF ALL DESCRIPTIONS "OF EUROPEANS, CIVIL AND MILITARY, "NOT MORE THAN 40,000. We are a people "altogether dissimilar to the natives in origin, "language, manners, customs, and religion, "and our government (our direct government) over them is attended, perhaps ne-

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those who impose, or those who receive, subsidiary detachments, that they are not *bridles*. Since Mr. MILL is an advocate for the colonization of India, I would not willingly detract from the weight of his authority. Perhaps, he is the only person who, holding such sentiments, is at the same time a zealous partizan of the Company.

"cessarily, with this disadvantage, that offices "of trust and importance under it are not "open to natives, Hindoo or Mahomedan."* This little extract contains a complete syllabus of all the dangers and evils which do really beset our empire in India; and this representation comes from a strenuous opponent of colonization! Can any exposition of an unsound state of things more clearly indicate the means of counteraction? Is it possible to display, in more forcible terms, the awful state in which we are placed if we do not hasten to reduce the disproportion between the governing and the subject orders!

Another gentleman in the same debate more explicitly confessed the inability of the Company to cope with the difficulties of their present situation. "This," said he, "I do "most conscientiously believe, that had it "been possible for the government of this "country to have combined with the noble "Marquis TO OVERTHROW THE EAST INDIA "COMPANY, *and by that overthrow to place* "*the preponderating influence in the Crown,*

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* Speech of Mr. C. Grant, at the India House, February 3, 1819.

" *which the present stāte of affairs in India*
" *will necessarily produce*, a more dangerous
" wound could not have been inflicted on
" our constitution, or surer means devised
" to effect those objects than the steps
" taken by the Marquis of Hastings in
" India."

The insufficiency of the Company, as an organ for the government of India, results from the incompatibility of their constitution, not only with the colonial system which we must speedily adopt, but with any course of prudent or equitable administration as it respects the natives, with distinct responsibility as it respects England, or with that respect which the European functionaries ought to entertain for their nominal masters. It is notorious from the ever-renewed complaints of the Directors, that the Governors-General not only "evade or disobey" their positive orders, whenever they think that the President of the Board of Controul will support them, but conduct their whole administration in an opposite spirit from that which would be acceptable to them. According to Mr. Grant, "it is expe-
" dient that the Directors should, *in India*,
" be held up as the ostensible head of the

"government."* He does not surely mean in the eyes of the natives, for they have no more idea of the difference between Company, and ministers, and parliament, than a blind man has of the difference of colours. And yet it is as little probable that he should suppose such deceit practicable on any European in their service. The Company are without the only two foundations, on which respect to government can rest, the *possession* of power, and the *opinion* of a right to power. Every European in India knows that they have not the substance, and few think that they ought to be armed with the outward signs of authority. But how much surer is this knowledge, and how much more intense this opinion, in the breast of him whom most of all the "ostensible" rulers would wish to impress with opposite sentiments! Can he who has been selected from the flower of a nation's aristocracy, and who has established the justest titles to his viceregal station,—submit implicitly to the opinions and commands of four-and-twenty citizens "of credit

* Expediency, p. 48.

"and renown?" To talk of "preserving, "cherishing, and enshrining," such a system; of "guarding it at once with the armour of "law and the enchantment of opinion,"* is to war with the unconquerable instincts of nature, the consenting testimony of experience, the plainest dictates of justice, the irrefragable conclusions of political wisdom. But the days are numbered during which it will be permitted to cumber the ground. Already it begins to stagger, crack, and gape; and whoever shall contribute to its entire subversion, will deserve well of his country, of India, and of mankind.

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* Expediency, p. 387.

APPENDIX.

No. I.

Extract of a Letter from the Court of Directors of the East India Company to the Governor-General in Council in Bengal, in the Public Department, dated 6th September, 1813; *with the Outline of the Plan for keeping the Books of Account in India.*

Paragraph 9. YOUR attention will be naturally drawn to the general principles laid down in the Act for the future administration of India; but the very marked difference between the provisions of it and those of the Act of the thirty-third, as they relate to the conduct of the financial departments of our governments, renders it highly expedient that you should be furnished at the earliest period practicable with our views and opinions upon this branch of the subject, and such instructions as at present appear to be requisite.

10. The most prominent feature of the difference now made, and which will be the first object of remark, is the

entire separation of the territorial or political from the commercial branch of our affairs, as directed by the 64th section. As very particular stress appears to have been laid upon this point, for reasons not necessary at present to be detailed, and as it is no less our earnest wish than our positive duty to yield the most implicit obedience to the directions of the legislature, we are extremely anxious that such regulations should be framed, and such arrangements made as shall most effectually accomplish the end required. For this purpose the mode of keeping the books of account at our several presidencies and settlements is obviously a paramount object of attention. We are aware of the difficulty of furnishing you with instructions which shall fully embrace every point of the detail of this extensive subject, and that the completion of any arrangement must in some measure be left to the exercise of the practical knowledge and experience of your accountant-general; but we deem it of importance to apprize you that it is indispensably necessary that measures should be taken for keeping and arranging the several books of account in the departments under your government, so as to contain and exhibit the accounts of the territorial and political departments separately and distinctly from such as appertain to or are connected with the commercial branch of our affairs, according to the letter and the spirit of the Act; and it is highly essential that the arrangements for this purpose at each of our presidencies and settlements should, as far as practicable, be carried into execution upon a principle of complete uniformity.

11. We are led to hope that, from the mode in which

the books of account in India are already kept and arranged, the difficulty of effecting the separation now directed will not be very considerable.

12. Our auditor of Indian accounts having, in pursuance of our directions, laid before us a plan of the future mode of keeping your books of account, a copy of the same is sent a number in the packet, in order to be referred to your accountant-general, who is to consider it as the general outline or ground-work of the future arrangement of those books; but is nevertheless to be at liberty to suggest any additions or alterations of the system thus laid down, which may in his judgement have a tendency to render it more complete.

13. According to the strict letter of the Act, the operation of this section, as well as of those relating to the appropriation of the revenues, which will next be noticed, must be considered as commencing after the 10th April, 1814. As your official year terminates the 30th April, it does not appear necessary to make any of the alterations in the general form of your books, till the opening of the year 1814-15, but you will give the requisite directions, that any advances that may have been made from the political to the commercial department in the manner hereafter directed, between the 10th and the 30th April, 1814, may be carried to account accordingly, and stand as a debt to the latter department in the books of 1814-15; so that it shall be practicable to present to Parliament the account of the territorial and commercial transactions, completely contradistinguished from each other, at the period required by the Act.

14. The next point of difference in principle from the

former Act to which your attention must be very specially directed, is in the 55th and 56th sections of the present Act, respecting the appropriation of the revenues and profits of our territorial possessions and the funds which are assigned as immediately applicable to the purchase of investments or the purposes of commerce.

15. You will observe, by the 55th section, that the territorial revenues and profits are first to be appropriated to defray the several descriptions of charge, which are enumerated under their respective heads, viz.

The charges and expenses of collecting the revenues.

The military establishments.

The interest upon the debts.

The civil and commercial establishments, and the territorial charges paid in Europe, or the advances made in Europe on account of territorial charges.

16. The surplus which shall result, after defraying all these charges, is to be applied to the liquidation of territorial debt, or of the bond debt, in England, or to such other purposes as we may think proper to direct from time to time. This is the general outline of the appropriations to be hereafter made.

17. The appropriation now prescribed differs from that prescribed by the Act of the 33d, principally in the mode of advance and in the extent of what is to be issued in each year for the purchase of investment, the Act of the 33d directing it to be made in a specific sum from surplus revenue; whereas the whole amount to be issued in India, for the purposes of commerce, in the purchase of investment in India or China, is in future to be regulated by the actual payments which shall have been made in

England, during the year preceding, from our commercial funds, on account of territorial charges.

18. We cannot more distinctly explain our views of the construction of the sections of the Act, which have now been brought under notice, than by observing that, although the management of the whole, as one concern, remains with us, it is requisite that the political branch should be considered as an affair of government, the commercial as that of a mercantile transaction, and by debiting and crediting in account the transactions between them, in advances and supplies, as if they were absolutely distinct and separate concerns; so that accounts of receipt, expenditure, and balance, may be duly rendered by each respectively in the way required by Parliament.

19. The sections of the Act now passed, relating to the finances, appear to us to have been founded upon the positive assumption, that, during peace at least, the revenues of the territorial or political branch will be fully sufficient not only to defray its own charges both at home and abroad, but to furnish a surplus applicable to the reduction of the debt; and that the ultimate proceeds or profits of the commercial branch will likewise amount to a sum exceeding what shall be required for the liquidation of all demands of a commercial nature, including the dividends on the capital stock and the interest upon the bond debt in England.

20. The effectual accomplishment of these objects is of the highest importance to the future prosperity of our affairs, and, in so far as respects the political branch particularly, is viewed by us with the utmost solicitude and anxiety. The result of the actual accounts of revenue

and charge in the year 1811-12, as advised in your letter, from the financial department, dated 21st November, 1812, is highly satisfactory to us; and although the surplus, estimated for the year 1812-13, in the same letter, falls far short of that of the preceding year, we trust that the expectations held out by you, that the actual surplus will not be less than a million sterling, will be fully realized. We propose communicating in the next despatch our orders relative to the branches of the Indian establishments, which, in our judgement, are susceptible of *reform*, and to furnish you with an accurate estimate of what may be the future amount of the advances to be made in England on account of the territorial charges; but we cannot defer impressing most distinctly upon your attention the necessity of the utmost vigilance that the revenues be duly realized and brought into our treasuries; and, as to the charges, not only that an increase may by every possible means be avoided, but that every measure, consistent with the security of the empire, be resorted to for their retrenchment. The surplus revenue of a million will not be sufficient to defray the advances required in England, including the charge of interest, &c. produced by the loan of £2,500,000 from the public in the year 1812; it is therefore perfectly clear to us that, unless a reduction of expenditure to the amount of £500,000 annually can be accomplished, the expectation of Parliament as to the liquidation of debt will not only be disappointed, but the recurrence of war would be productive of the most disastrous consequences.

21. As directly applicable to the term "surplus revenue," we deem it proper to observe for your future

guidance, that the view of the surplus produce of the territorial revenues cannot be reckoned complete till the whole amount of political charges, incurred both in India and in England, shall be brought to account. You will be furnished, in due time, with an account of the political charges incurred in England; but you will, nevertheless, continue as formerly to cause to be drawn up, and forwarded to us, the annual statements of the revenues and charges, showing the actual result in India in each year; also estimates of succeeding years, accompanied with the fullest explanation of the causes of variations which shall appear on the comparison of the actual accounts with the estimates for the year to which they relate, or in the estimates of the following years, compared with the actual accounts of the past.

22. With respect to the commercial branch, we strictly enjoin your scrupulous attention to its economy and management, not only as it may be connected with the proper application and employment of our own funds, but as it may be affected by the enlarged or general competition, which is now admitted into the trade of India.

23. You will, from time to time, be furnished with our orders upon this subject: but we cannot omit, on the present occasion, expressing our expectation, that all our servants shall conduct themselves with liberality and candour, and act up to the full spirit of the legislature; so that, if the traders should be disappointed in their views, they may have no ground for imputing their disappointments to any deviation on our part, from the principle upon which the trade is opened to them.

24. The difficulty of the process in the separation of

the accounts at the winding-up of the expiring period may, in some degree, be increased by our orders of the 9th April, 1813, for the investment to be provided in the year 1814, which exceed the amount in the contemplation of the act since passed. The sums advanced, in consequence of these orders, will of course be brought to account, and must be hereafter adjusted with the amount of the advances or payments made from our treasury in England, on account of the territorial or political concern; and in whatever amount the advance made by that concern in India, in 1814, shall exceed the payment made in England, such excess must be debited in India to the commercial branch.

25. Our instructions, for the provision of the investment of the year 1815, will be forwarded at a proper time. We propose, upon another occasion, to state more specifically, in detail, our views and intentions respecting the management of our commercial affairs; for the present, we shall only advert to our former observation, that the description of funds, which will be hereafter immediately applicable in India to the purposes of commerce, is,

First. The repayment of advances made in England from our commercial funds, for expenses chargeable to the territories, according to the amount to be advised by us, deducting therefrom the charges of the commercial establishments, and all the commercial charges in India, which may have been paid from the territorial revenues or the political funds, in the same year. We shall advise you of the principle upon which this deduction is to be made.

Secondly. The produce of the sale of exports of goods and merchandize, consigned directly to our commercial boards, with any other fund, strictly of a commercial nature, that may come into the possession of those boards: you will receive our instructions as to the detailed application of those funds in the purchase of investments in India; also, as to the amount to be remitted to China, for the purchase of investments there.

26. It is necessary to draw your particular attention to the money which may remain in the Indian treasuries, in consequence of the loans having been raised upon terms, under which the holders of public securities are entitled, at their option, to demand the payment of the interest, falling due half-yearly, in bills upon us at a specific rate of exchange. The uncertainty of the amount to which, from various causes, the exercise of this option may be carried, renders it extremely difficult, and almost impracticable, to establish any plan of remittance upon a regular principle; *this money originating in, and proceeding from, an appropriation of territorial revenue*, is to be considered strictly of a *political* nature, and as a species of deposit in your treasury, for the purposes of remittance to England for the payment of the bills, which are as strictly a *political* demand upon our home treasury. With this view, when the payment of the half-yearly interest upon the debt is demanded in bills upon us, you will immediately, upon the issue of those bills, uniformly set apart a sum equal to their amount, in order to its being remitted to us for the supply of our treasury at home; for, notwithstanding the provision in the 58th section of the act, for the protection of our commercial funds in Eng-

land, from the embarrassment which would be occasioned if those bills fell, in course of payment, without the remittance of funds from India to meet them, it is of essential moment that every practicable measure be resorted to, in order that a due supply may be thrown into our home treasury. And here we would strongly express the anxiety we feel, that our financial system may be brought to that state of arrangement that application to parliament, for pecuniary assistance, may in no case be requisite, except upon extraordinary occasions, arising from political or other contingencies, which no human foresight or management could provide against.

27. Having laid down, as a general principle, that, in our judgement, the money, which is now the object of remark, is purely political in its nature, we have further to add, that the disposal of it, in the way of remittance, is to be regulated according to a plan, the general outline of which we now proceed to communicate:—

First. In advances to the public service, repayable by his Majesty's Government in England. This being a mode of remittance advantageous both to the Government and to the Company, you will avail yourselves of it to the utmost extent of the demands which may arise, taking measures that the advances in cash made by you be regularly vouched; also, that the account of every expenditure, chargeable either in supply of stores, &c. or in disbursements on account of Government, be drawn up with the utmost precision, and transmitted to us, signed by a responsible officer. Measures are in concert with his Majesty's Government for a definitive arrangement of this subject, which will be hereafter communicated to

you; but you will, for the present, follow the instructions which are now given, and charge the advances and supplies in the current coin of the Presidency and Settlement where they are made.

28. Secondly. The second mode of remittance that has been suggested to us, is through the channel of private merchants or individuals, and this in two ways:—

First. In the receipt of monies from such merchants or individuals, into our treasury in England, for bills upon our governments in India.

Secondly. In advances, by our governments in India, to such merchants or individuals as may require them, for bills on their agents in England, to be offered upon the positive consideration, that the amount advanced is to be employed in the purchase of goods and merchandize in India, to be consigned to some port of the United Kingdom.

29. Having thus explained the general outline of the plan, at present in our contemplation, as applicable to this remittance, we have only to add, that we are fully aware that no less uncertainty attaches to the extent to which the plan itself may operate than to the amount of the fund for which its operation may be required. We must be governed by circumstances as they occur, and shall furnish you with our instructions from time to time. For the present you will proceed in making advances to the public service as first directed, and in making trial of the proposition as to advances in cash to private merchants and individuals, upon the principle now laid down, taking every possible care that no loss be incurred in the rate of exchange, or by the tenor

at which the bills shall be drawn; and especially guarding that substantial security be taken from the individuals to whom the advances may be made, either by the consignment of the goods to the port of London, to be deposited in our warehouses, or by such other securities as you may deem sufficient. You will likewise, as a security against risk, require that the consignments shall be insured, and the policies placed in your hands till advice shall be received of the payment of the bills.

30. You will take into early consideration the manner in which this measure should be announced to the public, with a view to the general accommodation, and for the purpose of your being apprised in time of the extent of the applications that may be made; for, if the amount in which the private merchants shall be disposed to avail themselves of this mode of accommodation shall fall short of the sum required to be remitted, after the advances shall have been made to the public service, and the bills drawn by us shall have been paid, the amount of the remittance must be absolutely and fully carried into effect, to the extent that bills may have been drawn upon us for the interest on the debts; and you must, therefore, as a dernier resort, have recourse to the measure of further advances to our commercial department, for the purchase of goods for consignment to us, to the amount of the deficiency which shall be found to exist, in consequence of the failure of demand by the parties as now adverted to, unless the situation of the money-market in India shall render it safe or eligible to make an occasional consignment of bullion.

31. In the event of a remittance being made through

the channel of our commerce, the transaction must be considered entirely distinct and separate from our own immediate commercial proceedings, and brought to account accordingly. A separate invoice of the goods purchased by the advance thus made must be transmitted, as the proceeds in England are to be carried to account in direct connection with the political branch of our concern being solely applicable to the liquidation of bills of a political nature.

32. You will of course regulate the remittance from year to year, as far as possible, by the amount which shall be required. If in any year it should occur, that remittances shall have been granted to individuals in excess of that amount, you will, in such case, make a proportionate reduction in the next year.

33. The amount for which remittance will be required, must ever be liable to great fluctuation, principally from the course of exchange, and the demand that shall exist for cash at our presidencies.

Outline of a Plan for keeping the Books and Accounts of the several Presidencies in India, in conformity with the Directions of the Act of the 53d of His present Majesty, cap. 155, sect. 64.—(Referred to in the preceding Extract, para. 12.)

The General Books which, as the title imports, exhibit the particulars of the pecuniary affairs of the Governments in all their branches, to be continued so far as regards the details of the territorial and political transac-

tions of the Company. The commercial concerns to be entered on those books only in abstract.

A set of books to be opened, entitled "The Journal and Ledger of the Commercial Concerns of the East India Company," in which every transaction relative to those concerns is to be entered in detail.

The General Journal and Ledger will contain the detail of all the accounts relative to the following departments of the service :—

First. The General Department, comprehending all matters relative to the political concerns of the Company, the Mint and Post-Office revenues and expenses, and the other offices classed under this department in the book of civil establishments; except the establishments of the supreme court, the justices of peace and coroner, which more properly fall under the Judicial Department; and the Nizamut, and other stipends and allowances, which are charges upon the revenues, and should come under the Revenue Department. In regard to the stipends to the King, &c. at Delhi, these are at present charged against the revenues, although in the book of establishments they stand under the general branch.

Second. The Judicial Department, including the Supreme Court, &c. as above.

Third. The Revenue Department, including the stipends, &c. as above, and customs. Under this department, the salt and opium may also be included, as there does not appear to be any cogent reason against re-transferring the management of these articles to the Board of Revenue: on this point, however, the opinion of the Governor-General in Council should be taken.

Fourth. The Marine Department. The foregoing comprise the civil branches of the service, included under the territorial and political concerns.

The Military Department is a separate head comprehended in those concerns; but it is not intended that the military disbursements should appear in detail on the general books; these may continue under their present form and mode.

The General Journal and Leger should contain a head of *Commercial Department*, under which all receipts and advances from, to, or on account of, that department are to be entered.

The Commercial Journal and Leger should, in like manner, contain a head of *General Books*, showing the corresponding debits and credits of the territorial and political concerns.

The accounts of receipts and disbursements annually sent to Europe, should be framed on similar principles, in such a manner as to show the distinction between the *territorial* and *political* and the *commercial* transactions of the government in the two branches.

The quick stock accounts to be framed on the same principles. One statement, as at present, may contain the whole of the debts and assets, although to be divided under the two branches.

In the first place, the balance of property of every description remaining on the 10th or 30th April, 1814, in every department under the government, is to be stated in detail, distinctly and separately under the two heads of *territorial* and *political* and *commercial*; the quarterly

accounts thereafter will of course be framed on the same principles.

The dead stock accounts to be formed in the same manner.

The foregoing observations are more particularly applicable to the accounts of Bengal; but the same principles are to be attended to at the other presidencies, as far as circumstances will admit; it being distinctly understood that one uniform system, both in principle and detail, is to govern in the method of keeping the accounts of all the presidencies.

For this purpose it is extremely desirable that the mode of bringing the account on the Bengal general books, the revenues of the provinces and the customs, should be followed at Madras and Bombay; to effect which it will be necessary to forward, from Bengal to the other presidencies, copies of those parts of the general books which relate to the revenues and customs. Any further directions which may be requisite to produce a conformity in the books of the two presidencies with those of Bengal, in other articles, may also be supplied from the latter.

Whatever instructions may be necessary regarding the method of keeping the accounts at Prince of Wales Island and Fort Marlbrough, upon the plan above sketched out, will be furnished from Bengal.

East India-House,
August, 1813.

Plan for keeping and arranging the Books of Account of the East India Company in England, that the said Books shall contain and exhibit the Accounts of the Territorial and Political Departments separately and distinctly from such as appertain to or are connected with the Commercial Branch of their Affairs; submitted by the Court of Directors of the said Company to the Board of Commissioners for the Affairs of India, for their Approbation, in conformity to the Provisions of the Act of the 53d of the King, cap. 155, sec. 64; together with the Alterations, Amendments, and Additions, made by the said Board, in the manner also provided in the said Act.

PLAN, As originally submitted by the Court.	ALTERATIONS, AMENDMENTS and ADDITIONS, By the Board of Commissioners.
Classification and Allotment of Charges.	
Territorial and Political Charges.	
Political Charges General.	
Commissioners for the affairs of India.	
Raising of recruits and cadets.	
Tradesmen's bills for repairs to the house, coals, candles, house-expenses, one-half.	

Law charges; one-half. Packets overland. Military fund. Annuitants and pensioners; all granted for political services. Directors' gratuities; one-half. Salaries and gratuities to the officers of the house. Secretary's office; two-thirds. Treasury; one-fourth. Accountant's office; one-fourth. Examiner's office; the whole. Auditor's office; ditto.	Law charges. — The expense incurred under this head, whether for actions at law or otherwise, relating to the political department, to be distinctly and separately brought to account.
Freight office; one-fourth. Historiographer; the whole. Librarian; ditto. Book-office; one-half. Counseller; ditto. Solicitor; ditto.	Freight office to be wholly chargeable to the commercial department.
Paymaster of seamen's wages; one-fourth.	Paymaster of seamen's wages to be wholly chargeable to the commercial department.
Shipping; ditto.	Shipping, ditto, ditto.

Military stores; the whole. Military fund; ditto. Doorkeepers; two-thirds. Military Secretary; the whole. Assistant; ditto. Extra clerks; two-thirds. Fire-lighters and porters; one-half. Military officers and soldiers; sundries for provision on the outward voyage to India.	
East India volunteer regiments.	The expense of the volunteer regiments to be equally divided between the political and the commercial departments.
Sundries for passage-money to India.	Admitted, as far as relates to the political service.
Company's stud. Subscriptions to charities and on public occasions; one-half. Clerks in the house, for extra attendance; in the same proportion as the salaries.	

Military seminary; the whole except the building.	
East India College; ditto.	East India College.—The expense to be charged to the commercial department, in the proportion the number of servants of that department bears to that of the political department on the Indian establishments.
Examining military stores.	
Adjustment of Indian accounts, and payments on account of India.	Approved, so far as may relate to the political department.
Money advanced per order of the Secret Committee.	
Bengal Orphan Society.	
Commissioners for adjudicating Carnatic debts.	
Depôt at the Isle of Wight.	
Stationery for home use; one-half.	
Persian embassy and subsidy.	
Fees on brevet commissions.	
Madras Military Fund.	
Batta to King's naval officers serving in India.	

Taxes for the house; one half.

Prisoners of war.

Passage of Military to India, including tonnage occupied by the troops.	Approved; but the Board require an account to be annually laid before them, at the commencement of the season, of the rate proposed to be charged for the passage of each officer and soldier to India, showing the several items of which that rate is composed; also, an account showing the number of military actually conveyed to India in the Company's ships in each season, with the charge on account thereof: distinguishing his Majesty's from the Company's troops; distinguishing likewise officers and privates.

Political Freight and Demurrage.

Demurrage previous to leaving England, where the same has been incurred by waiting for troops or stores belonging to government.	The Board approve, as a general principle, of the commercial department being reimbursed every expense *bonâ fide* and actually

incurred by the provision of tonnage for the conveyance of troops or stores to India: but considering the charge in question to be immediately applicable to or connected with the Company's political government, they think proper to direct that arrangements be made to avoid, as far as practicable, this charge. As the embarkation of his Majesty's troops for the Company's service, that the departments of government give timely notice to the Court of Directors of the number of troops intended to be sent to India in each season; and that the Court in due time apprize those departments of the periods after which the ships would be subject to the charge of demurrage. With respect to the Company's own troops, it is presumed to be perfectly within the power of the Court to prevent the necessity of incurring the charge.

Passage of troops; charter-party passengers. Freight of tonnage allowed; ditto. Victualling, ditto.	Admitted; but an account to be annually laid before the Board, showing distinctly the expense incurred on these accounts; also, the number and description of charter-party passengers, with the rate of charge for each, under their respective heads.
Amount of freight paid by the Company, for tonnage reserved for the accommodation of troops.	According to the general principle already admitted, expense actually incurred by the commercial department is to be repaid:—as to tonnage expressly reserved for, and occupied by troops, there can be no question; but the rate of the freight must be annually reported to the Board, as before required. As to tonnage reserved, but not occupied in consequence of the embarkation being countermanded, the Board cannot admit the charge, unless it shall be made to appear that a positive loss or expense has been incurred by

the commercial department; and that it was found necessary to occupy extra tonnage, or to charter more ships in consequence of the reserve for the conveyance of troops.

Amount of freight paid by the Company, in consequence of the ship being employed as a packet or cartel.

Admitted; with the understanding that the proposition has no reference to despatches or letters forwarded to or from India by the Company's ships in the usual course.

Demurrage for time employed in public service, or in carrying troops or stores from one port to another in India; and

Freight paid for tonnage of troops, military stores, &c. from one port to another in India.

Admitted; provided the commercial department actually incurs expense or loss by the ships being detained or employed for the purposes now stated, but not otherwise. If ships are proceeding from one port to another in India, unoccupied by merchandize, and no extraordinary freight or demurrage is paid to the owners in consequence of the conveyance of troops or stores, no charge should be borne by the political department,

except for the victualling the troops or shipping the stores, according to long-accustomed usage.

Freight of stores consigned to St. Helena. Demurrage for deviation to St. Helena, and for detention there delivering stores, outward-bound.

At a rate to be reported to the Board from year to year. If the Company have dealings at St. Helena in the export of goods for sale, a proportion of the demurrage should be charged to the commerce. Positive orders should be given to the government of St. Helena to adopt every measure to prevent a longer detention of the ship at the island than absolutely requisite for the delivery of the stores.

Freight on government-stores.

The freight on government-stores being repayable by his Majesty's government in England, cannot be classed with the head of political freight and demurrage, which forms a part of the territorial charge to be repaid in India. A discussion having taken place

with the Right Honourable the Secretary of State for the War Department, respecting the conveyance of troops *and stores* for government on the Company's ships, and the general principle admitted that preference should be given to these ships, over those of private individuals, *provided the charge is equally reasonable*; it will rest with the Court to adopt the requisite measures with the public offices, in order to accomplish a definitive arrangement on this subject.

Interest on the Debts of the Nabob of Arcot.

Admitted to be political; but the Board desire to be furnished with an account of the actual amount of the funds for this purpose, arising either from annual receipts from the Carnatic revenue, or the interest upon the amount of them: also the specific application of the same in India and England, whether in liquidation of

	charges incurred by the commissioners, or in payment of the principal or interest of the claims already adjudicated by the said commissioners, made up to the latest period practicable; also, that an account of a similar description be furnished annually.
Pay to Military Officers on Furlough and Retirement.	Approved; but a detailed statement of the payments on this account to be annually laid before the Board.
Pay-Office-General for recruiting King's Regiments serving in India.	The repayment of this disbursement to the commercial department in India, depending on the actual advance of the money by the Company's treasury in England, an arrangement must be made with the office of his Majesty's paymaster-general, respecting the periods of payment, so as that the demands of that office may be regularly brought forward and liquidated within the Company's official year of account.

Interest on the Loan of £2,500,000 from the Public and Sinking Fund.	This payment should be regularly brought to account, distinguishing interest and sinking fund.
Expenses of St. Helena, payable in England.	Approved. The revenues at present existing, with whatever new duties may be levied, to be applicable to the expenses. The correspondence relating to the affairs of this island, to be hereafter submitted to the consideration of the Board of Commissioners, in like manner with that relating to the other political concerns of the Company.
Expenses of Prince of Wales Island, payable in England.	An adjustment must be made of the expenses of the island; and such part as may appear to be of a commercial nature carried to account accordingly.
Expenses of Bencoolen, ditto.	An adjustment to be likewise made of the expenses of this settlement; the military establishment, after deducting the revenues, to be charged to the political de-

partment, and the civil establishment to the commercial.

Military and Garrison Stores to be exported.

Cost.

Freight on ditto.

Interest.

Charges.

Marine or naval stores for the Company's marine establishments are supposed to be comprized with the military and garrison stores. The Board rely that the utmost attention be paid, that the indents from India for stores be limited to the annual demands of the service, as far as prudent and practicable, so that expense be not incurred by the accumulation in the arsenals. Economy in the purchases is evidently an essential point of attention. The freight will be charged at the rate charged on the Company's staple exports, or in an equitable proportion, according to the articles. The interest on the actual outlay of the money, and the rate of the charges on the invoices, similar to that on the Company's exports.

SUGGESTIONS by the COURT, In regard to the Preparation of Accounts under the New Charter.	REMARKS, ALTERATIONS, AMENDMENTS, & ADDITIONS, By the Board of Commissioners.
1. It is submitted, that the profit and loss accounts be made up in the respective sales as heretofore; that the profit which shall be apparent in the March and September sales, 1814, shall be the funds whereout the dividends, due in July, 1815, and January, 1816, shall be paid. The same system to be observed in each subsequent year, so that the dividends shall be payable out of the profits arising in the preceding year.	As the appropriation of the profits of the year, in the manner suggested by the Court, appears to be the only practicable mode by which the directions of the act can be carried into operation, the Board approve the same, premising that the dividends on the capital stock, due in July, 1814, and January, 1815, will be paid from funds arising from profits in the sales of March and September, 1813; but they think proper to call the attention of the Court to the necessity of giving directions, that the accounts which must be required, according to the 57th and 58th sections of the act of the 53d of the King, be annually prepared with every degree of precision, in order to show the suffi-

ciency, or otherwise, of the funds, for the purposes therein specified.

2. That the political payments, which shall be made in England in the year 30th April, 1814, to 30th April, 1815, added to the amount of exports in the year 1814-15, be considered as constituting the funds which will be applicable to the provision of cargoes to return to England in the year 1816.

Approved; as the suggestion appears to be in conformity to the letter and spirit of the 50th section of the act, so far as respects the year which is specified. The commencement of the new system is prescribed to be the 10th April, 1814, both for India and England. The process in the first year must, therefore, necessarily be on estimate, and adjustments must afterwards be made of the advances and payments in the commercial department, in the manner provided for in the same section.

3. That the general stock account of the Company, called stock per computation, which has been heretofore made up to the 1st March in each year, shall, in future, be made up to

The act of the 54th of the King, cap. 36, sec. 55, provides for the alteration of the period of making up the accounts. The distinct exhibition of territorial debts and assets, contradis-

the 1st May; and that the home-accounts, as well as the quick-stock accounts of the several presidencies of India, do distinctly exhibit the statement of territorial debts and assets, contradistinguished from commercial debts and assets; and also, that the annual account, which, in virtue of acts of parliament now in force, is directed to be made up to the 1st March in each year, be, in future, made up to the 1st May. To effect this alteration, a new parliamentary enactment will become necessary.

tinguished from commercial debts and assets, as now proposed, is fully approved; and the Board are very desirous that instructions be sent to the Indian governments to give the most positive directions to the departments of account, relating to the transmission of documents required for the preparation of accounts in England, so that they may be presented to parliament within the time required by the act.

4. That an account be opened in the leger, under the head of "Territorial Account," which will contain, on the debit side, the amount of all payments made in England on that account; and, on the credit side, the payment by India, of these advances either by

Approved; on the assumption that it is combined with such arrangements of detail as shall enable the Company, from time to time, to furnish such distinct accounts relating to the several branches of the political department, both as to debts and assets, and

issues to the commercial boards in India, or by any other means.

receipt and expenditure, as are or may be required by parliament, or called for by the Board. It being understood, thăt the account of the payments in England, for territorial charges to be repaid in India, according to the provision of the 54th section of the act of the 53d, will be drawn up or calculated from the debit side of this general head; and as the rate of exchange, at which the payment in sterling shall be converted into Indian currency, is not provided for in the said act, the Board deem it eligible and proper to determine, that the exchange shall be at the same rates which have obtained and been sanctioned by the usage of parliament, as well in fixing of salaries, and in the settlement of accounts between the public and the Company, as in the accounts which have annually been presented to, or brought to

the view of parliament, for a long series of years, viz.

2*s*. the current rupee, calculated at 16 per cent. less than the sicca rupee.

8*s*. the pagoda.

2*s*. 3*d*. the Bombay rupee.

5. That an account be opened under the head of bills of exchange, drawn from India on account of the interest of Indian debt; the debit side to exhibit the amount of payments made in England by the Company, in each year on such account. The credit side to exhibit, 1st. The amount of monies that may be received in England in re-payment of advances made in India on account of his Majesty's government.—2dly. The amount of monies that may be received in England for bills to be drawn on India.—3dly. The amount of bills of exchange, drawn in the Company's favour, for ad-

The Board fully approve the keeping the transactions, to which this head of account applies, entirely distinct and separate from that of the general territorial account. The manner of debiting the payments in England under this head, as now proposed, is correct. The formation of the credit side, by bringing to account the remittances through the four modes which are pointed out, calls for no further remark as to the three first, than as it may relate to the uncertainty of their amount respectively, from being exposed to contingencies as to the advances to the public service, and being experimental as to the trans-

vances made to individuals in India.—4thly. For advances made in India to the Company's commercial servants, for investment to be specifically provided in India from the funds, to the amount which England shall be drawn upon for the payment of the interest on the Indian debt.

actions with individuals. As to the fourth mode, or the remittance to be made through the channel of the Company's commerce, which is designed to embrace whatever amount may be required to be remitted beyond what shall have been provided for by the other modes, the Board, in reference to the several discussions which have taken place on this subject, have thought proper to agree, that an arrangement be made on the following principles: the balance found remaining under this head of account at the close of the year, after giving full credit for all remittances received from India in the course of the year, whether in bills or certificates upon Government, or bills upon individuals paid or payable, or in receipts from individuals for bills on India, to be added to the amount of territorial charges, to be

repaid from the political treasury in India to the commercial department there, and to be applied by that department, at the option and risk of the Company. But the amount of this balance to be converted into Indian currency, at the rate of exchange at which the bills may be drawn; provided always, that if, in any year, the Company's trade from India shall not realize, upon an average, 2*s.* 6*d.* the sicca rupee, the political department shall be debited for the amount of the deficiency, which shall be found to have arisen on the sum to which this head of account relates. The Board desire it to be distinctly understood, that their acquiescence in the arrangement suggested by the Court for making the separation of the political and commercial accounts in the existing leger, is, from their reliance on the assu-

rance conveyed by the Court, that it will be found fully sufficient for the purpose of yielding obedience to the directions of the late act, and that new heads will be opened in the books of the Company, from time to time, as circumstances may require, of which the Board is to be kept regularly advised.

6. As the amount of stores to be exported may be deemed a territorial disbursement, it is submitted, that, in future, those stores be invoiced at their actual prime cost, without the addition of 10 per cent. as has been the practice; that the freight outwards, the insurance, interest, and charges of shipping, be added in lieu of this 10 per cent.

The cost, freight, interest, and charges of shipping, having been already adverted to, this suggestion is approved, with the exception of what relates to insurance, which is not to be charged.

7. It thus being proposed that the invoices of stores exported to India, shall

Approved; with the exception of insurance, the losses actually sustained to

contain the prime cost, with the several charges of freight, interest, insurance, and charges of merchandize; so, in like manner, it appears to be desirable that the invoices of goods for sale should be formed upon the same principle.	be brought to account as heretofore.
8. In regard also to the formation of the freight accounts, it will be desirable that the freight upon goods exported, be separated from the freight on goods imported. According to the present system, the whole freight and demurrage is charged in the home accounts, excepting upon such part of the outward cargo as exceeds the stipulated free tonnage.	Approved.
9. As political freight and demurrage is to be carried to the territorial account, it will also be necessary that a separate account be made	Approved.

up for all charges of this description, such account to pass the Committee, as is customary with other freight accounts.

10. As the Company are in the practice of making advances on account of freight, at various periods, before the freight account is finally settled, these advances, it is submitted, shall, in the first instance, be considered to relate alone to the commercial freight and demurrage, subject to future adjustment. The freight account, in this view of the subject, will be divided into three classes:—1st. For freight and demurrage outward;—2d. Freight and demurrage homeward;—3d. Political freight and demurrage.

Approved.

11. Such directions as appeared to be necessary for the arrangement of the Indian books and accounts,

Requires no remark.

have been transmitted to India, in the despatch of the 6th September last.

12. The act commencing simultaneously in England and in India, on the 10th of April, 1814, the statement of debts and assets, at home and abroad, should be made up terminating with that day, or say 30th April, 1814. The view then exhibited of the Company's debts and assets, distinguishing under the heads respectively of political and commercial, will be the basis on which the future system of the Company, in regard to the separation of their accounts, is to be formed; but this account cannot be made up till the Indian statements to the 30th April, 1814, shall have been received in England.

The statement to be prepared in the manner proposed, and made up to the 10th, and adjusted to the 30th April, 1814, for presentation to parliament in the next year, at the period directed by the act.

13. As it has been before proposed that the accounts of stock per computation,

Approved.

shall be made up on the 1st of May in each year, it is also proposed that the general leger of the Company in England shall be balanced on the 30th April in each year, instead of the 30th June in each year, as at present. An alteration in the bye-laws will be necessary, before this proposition can be carried into effect.

No.

* APPENDIX, No. 6, to the Second Report from the Select Commit
count of the Total Annual Amount of the REVENUES and CHARGES
the actual Accounts from the Year 1792-3 to the Year 1808-9, with
Parliament; distinguishing as to the REVENUES, the Revenues of the
Princes, or Collections from ceded or conquered Countries; and as
and Fortifications, from the Civil, Revenue, Judicial, and Marine
paid on the Debts.

	REVENUES.		
	From the Company's Possessions exclusively, Bengal, Madras, and Bombay.	Subsidies and Collections from ceded and conquered Countries.	Total Gross Revenues.
	Amount received at the Three Presidencies.	Gross Amount.	
	£	£	£
Court's Estimate, Feb. 1793.	5,523,625	.. 1,440,000	6,963,625
1792-3	 5,985,026	.. 2,240,602	8,223,628
1793-4	 6,359,466	.. 1,917,304	8,276,770
1794-5	 6,538,628	.. 1,487,565	8,026,193
1795-6	 6,319,679	.. 1,546,415	7,866,094
1796-7	 6,484,593	.. 1,531,578	8,016,171
1797-8	 6,315,605	.. 1,744,275	8,059,880
1798-9	 6,380,884	.. 2,271,149	8,652,033
1799-1800	 6,777,041	.. 2,959,631	9,736,672
1800-1	 6,847,833	.. 3,637,226	10,485,059
1801-2	 7,206,926	.. 4,956,663	12,163,589
1802-3	 7,823,914	.. 5,640,623	13,464,537
1803-4	 7,876,612	.. 5,394,773	13,271,385
1804-5	 8,158,267	.. 6,791,128	14,949,395
1805-6	 8,253,698	.. 7,149,711	15,403,409
1806-7	 7,794,643	.. 6,741,096	14,535,739
†1807-8	 8,584,050	.. 7,117,036	15,701,086
1808-9	 8,379,484	.. 7,167,464	15,546,948

* This Appendix is divided in this and the following page, partly for the conveniency of printing. The division in this page takes place in the column of Net Revenue.

† Years 1807 and 1808 taken from Appendix 11, Third Report.

II.

tee on the Affairs of the East India Company, is a (detailed) Ac-
of the several Presidencies, of India, as estimated in 1793, and by
the Estimate of the same for the Year 1809–10, as laid before
Company's Possessions exclusively, from the Subsidies from Native
to the CHARGES, the Military Charges, and Charges for Buildings
Charges, showing also the Supply to Bencoolen, &c. and the Interest

CHARGES.					
Military.	Buildings and Fortifications.	Civil, Revenue, Judicial, and Marine.	Total Charges, including those on Subsidies.	Surplus Charges.	Net Revenues.
£	£	£	£	£	£
2,917,500	117,875	2,126,950	5,188,125	..	1,775,500
3,480,536	108,138	2,388,773	6,304,607	..	1,921,021
3,361,837	115,190	2,412,545	6,066,924	..	2,209,846
3,409,598	137,143	2,400,913	6,083,507	..	1,942,686
3,622,546	98,512	2,616,842	6,474,247	..	1,391,847
4,107,057	122,723	2,686,517	7,081,191	..	934,980
4,506,454	99,508	2,619,182	7,411,401	..	648,479
5,473,587	110,129	2,624,277	8,417,813	..	234,220
5,526,024	162,934	2,952,632	8,998,154	..	738,518
6,512,423	183,473	3,055,437	10,405,501	..	79,558
6,996,672	176,156	2,953,741	11,062,452	..	1,140,137
6,061,169	183,795	3,509,343	10,925,427	..	2,499,110
7,777,793	165,356	3,518,286	13,001,083	..	270,302
8,459,263	220,033	3,724,433	14,548,453	..	400,962
9,032,598	278,336	3,796,587	15,561,328	157,919	
8,772,422	290,738	3,725,381	15,283,908	749,169	
7,394,259	329,217	3,612,912	13,635,256	..	2,065,830
7,374,236	315,149	3,419,671	13,284,169	..	2,262,779
				907,088	18,740,275
		Deduct Surplus Charges		..	907,088
		BALANCE, OR NET REVENUE...		..	17,833,187

No. II. *continued from page* 381.

APPENDIX, No. 6, to the Second Report from the SELECT COMMITTEE, on the Affairs of the East India Company.

	Net Revenues, as preceding Page.	Supply to Bencoolen, Penang, &c.	Interest on Debts.	Surplus Revenue.	Surplus Charges.
	£	£	£	£	£
Court's Estimate, Feb. 1793	..	50,000	561,923	1,163,577	
1792-3	..	66,217	636,226	1,218,578	
1793-4	..	40,822	526,205	1,642,819	
1794-5	..	62,080	484,301	1,396,305	
1795-6	..	104,154	414,750	872,943	
1796-7	..	101,190	426,847	406,943	
1797-8	..	163,299	603,9[illegible]6	..	118,746
1798-9	..	120,668	721,550	..	607,988
1799-1800	..	171,363	957,236	..	390,081
1800-1	..	156,325	1,062,684	..	1,139,451
1801-2	..	241,220	1,386,593	..	487,676
1802-3	..	196,848	1,361,453	940,809	
1803-4	..	304,056	1,394,322	..	1,428,076
1804-5	..	372,165	1,566,750	..	1,537,951
1805-6	..	250,599	1,860,090	..	2,268,608
1806-7	..	179,197	2,224,956	..	3,152,322
*1807-8	..	725	2,145,844	..	201,739
1808-9	..	176,707	2,309,836	..	223,764
	17,833,187	2,707,633	20,083,569	6,478,397	11,556,402
				Deduct..	6,478,397
				†	5,078,005

* Years 1807 and 1808, from Appendix 11, of Third Report.

† £5,078,015 according to Reports.

☞ See note at the foot of page 380. The column of *Net Revenues* is here repeated; the four following columns show the application of the *Net Revenues*, and the amount of the *Surplus Charges*.

THE END.

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